FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Latin America

FBIS-LAT-94-216
Tuesday
8 November 1994

Daily Report
Latin America

FBIS-LAT-94-216 CONTENTS *8 November 1994*

INTER-AMERICAN AFFAIRS

- Parlacen Urges U.S. Amnesty for Central Americans *[ACAN]* ... 1
- Central American Police Demand Update of Laws *[LA PRENSA GRAFICA 6 Nov]* ... 1

CARIBBEAN

Cuba

- Ministry Official on U.S. 'Pressure,' Emigrants *[PRENSA LATINA]* ... 2
- Alarcon Views Work of ANPP Migration Forum *[Havana Radio]* ... 2
- PRENSA LATINA: Bank President Views Convertible Peso ... 3
- Government Reaffirms Commitment To Investment Accords *[Havana Radio]* ... 4
- Association of Spanish Businessmen Created *[Havana TV]* ... 4
- Economic Cooperation Accord Signed With Spain *[Havana Radio]* ... 4
- UN Grants $2 Million To Fight Drug Trafficking *[Havana Radio]* ... 5
- UN Delegate Outlines Counternarcotics Strategy *[PRENSA LATINA]* ... 5
- Robaina, Melendez Comment on Havana Fair *[Havana Radio]* ... 5
- Mexican Lubricant Firm Signs Supply Accord During Fair *[NOTIMEX]* ... 6
- Minister Accompanies African Politician on Visit to Fair *[Havana Radio]* ... 7
- Havana Fair Endorsed by International Association *[PRENSA LATINA]* ... 7
- Juragua Nuclear Plant Preservation Used as Model *[Havana TV]* ... 7
- Castro Attends Ninth Science, Technology Forum *[Havana Radio]* ... 7
- Sugar Minister Addresses Conference *[Havana Radio]* ... 8
- Balaguer Tour Reveals Coffee Grinder Problems *[Havana Radio]* ... 9
- Power Department Director Cited on Frequent Outages *[PRENSA LATINA]* ... 9
- Power Director: Electricity Generation Better *[PRENSA LATINA]* ... 9
- Electric Union Links Increased Power, Plant Repairs *[Havana Radio]* ... 10
- Crombet Discusses Progress Report Process *[Havana Radio]* ... 10

Inter-American Affairs

- Caricom 'Contention' Reported Over U.S. Summit Agenda *[Bridgetown TV]* ... 12

Haiti

- New Prime Minister Presents Policy Statement *[Port-au-Prince Radio]* ... 12
  - Senate Approves Michel Policy, Cabinet *[Port-au-Prince Radio]* ... 12
  - Deputies Confirm New Prime Minister *[AFP]* ... 13
- Port-au-Prince Mayor Evaluates U.S. Occupation *[LA JORNADA 31 Oct]* ... 13
  - Discusses Development Model *[LA JORNADA 1 Nov]* ... 15

MEXICO

- Legislators Propose Boycott if Proposition 187 Passes *[NOTIMEX]* ... 17
- Zapatist-Founded CND Refuses To Recognize Zedillo Victory *[Madrid EFE]* ... 17
- Former Gubernatorial Candidate Urges Palace Occupation *[Madrid EFE]* ... 18
- Zedillo on Plans To Promote Investment, Competitiveness *[NOTIMEX]* ... 19
- Zedillo Meets Businessmen, Discusses Governing Plan *[Mexico City TV]* ... 20
- Zedillo Promises 'New Electoral Reform' *[Mexico City TV]* ... 20
- Editorial Assesses Salinas' State of Nation Address *[LA JORNADA 2 Nov]* ... 21
- Salinas Assesses Term in Office, WTO Candidacy *[London FINANCIAL TIMES 7 Nov]* ... 22
- Roundup of Economic Developments *[EL FINANCIERO 1 Nov, etc.]* ... 23
- Honduran Delegation Arrives To Study Privatization *[LA JORNADA 4 Nov]* ... 24

CENTRAL AMERICA

El Salvador

Deputy Foreign Minister Views Proposition 187 *[San Salvador TV]* 25
High Court Requests Extension for Illegal Aliens *[San Salvador TV]* 25
Minister Notes Decrease in Tensions on Honduras Border *[San Salvador Radio]* 25

Guatemala

Transportation Protest Turns Violent in Capital *[Hamburg DPA]* 26

Honduras

Cultural, Education Accord Signed With Russia *[Hamburg DPA]* 26
Economy Minister Cited on Rise in Prices *[LA TRIBUNA 7 Nov]* 27
Defense Minister: Army Smallest in Central America *[ACAN]* 27
Armed Forces Chief: Budget Reduction No Solution *[TIEMPO 5 Nov]* 28

Nicaragua

Ramirez Group Said To Give Concessions to Right Wing *[BARRICADA 7 Nov]* 28
FSLN Denies Part in Ramirez Group-UNO Pact *[BARRICADA 7 Nov]* 29
BARRICADA Editor, Salvadoran Reporter Resign *[BARRICADA 3 Nov]* 29
Subtiava Backs Sandinist Renewal Movement *[EL NUEVO DIARIO 6 Nov]* 30

Panama

Human Rights Group Head Decries U.S. on Rafters *[LA PRENSA 6 Nov]* 31
Government Sets Up Drug Liaison Office *[EL PANAMA AMERICA 7 Nov]* 31
Drug Traffickers Said To Operate in 39 Areas *[EL PANAMA AMERICA 6 Nov]* 31

SOUTH AMERICA

Argentina

Menem Explains Praise of Military in 'Dirty War' *[NOTICIAS ARGENTINAS]* 33
Menem Criticizes Human Rights Group for Expulsion *[NOTICIAS ARGENTINAS]* 33
Military Pension System Reportedly in Crisis *[CLARIN 4 Nov]* 34
Senator Menem Satisfied With Results of UK Visit *[NOTICIAS ARGENTINAS]* 34
PRC Mayor Views Economic Cooperation Prospects *[TELAM]* 34

Bolivia

Uruguayan Foreign Minister Begins Official Visit *[Madrid EFE]* 35
Sanchez Urges Fight Against Colombian Traffickers *[Madrid EFE]* 35
  Views Need To Avoid 'Colombianization' *[La Paz TV]* 36
  Defends Drug Legalization *[Madrid EFE]* 36
Government Confirms Arrest of 23 Coca Farmers *[PRESENCIA 29 Oct]* 37
Pando Reportedly New Base for Drug Trafficking *[PRESENCIA 31 Oct]* 38
Minister Praises Law Guaranteeing Investments *[LOS TIEMPOS 29 Oct]* 38
Alternatives Sought to Compulsory Military Service *[HOY 16 Oct]* 38

Brazil

Squatters' 'Guerrilla' Actions in Para Reported *[O ESTADO DE SAO PAULO 2 Nov]* 40
Implementation of Sivam Expected To Begin on Time *[GAZETA MERCANTIL 3 Nov]* 41
Brazil To Participate in Peace Mission in Africa *[JORNAL DO BRASIL 3 Nov]* 41
Satellite Launching Accord With PRC Announced *[O ESTADO DE SAO PAULO 4 Nov]* 42
International Reserves Reach $43 Billion in August *[GAZETA MERCANTIL 5 Oct]* 42

Chile

Insulza Interviewed on Free Trade Negotiations *[ESTRATEGIA 24 Oct]* 42
  Views Accord With U.S., Haitian Mission *[Santiago TV]* 45
Insulza Back From U.S.; 'More Optimistic' on Miami Summit *[Madrid EFE]* 46
Frei Notes Importance of Chilean Presence in Pacific Rim *[Madrid EFE]* 46
Minister Heads Delegation to London, Seeks Investments *[Santiago TV]* 46
Czech Vice Minister Visits To Promote Trade *[EL MERCURIO 23 Oct]* 47

Colombia

Foreign Minister: Cuba Not on Miami Summit Agenda *[Santa Fe de Bogota TV]* 47
President Remains Committed to Dialogue With 'Guerrillas' *[Santa Fe de Bogota TV]* 47
Security Director Denies Reports Linking Guard to Attack *[Santa Fe de Bogota TV]* 48
Events Viewed in Light of Toft Statements *[SEMANA 18 Oct]* 48
Prosecutor General's Performance Evaluated *[SEMANA 18 Oct]* 49

Ecuador

President To Undergo Back Surgery in U.S. 8 Nov *[Quito Radio]* 52
Central Highlands Reforestation Plan Noted *[EL COMERCIO 4 Oct]* 52

Paraguay

Brazil's President-Elect Ends Tour *[ULTIMA HORA 7 Nov]* 53
Police Seize Weapons Bound for Brazilian Border *[ULTIMA HORA 7 Nov]* 53

Peru

Toledo Rejects Perez de Cuellar's Possible Withdrawal *[Madrid EFE]* 53
  Withdrawal of Candidacy Denied *[Madrid EFE]* 54
  Changes Campaign Strategy *[Madrid EFE]* 54
Fujimori Labels Economic Recovery 'Miracle' *[Madrid EFE]* 55
Camet Announces 9 Percent Inflation Rate for 1995 *[Lima Radio]* 55
Red Path Leader 'Feliciano' Ill, Under Siege From Army *[Madrid EFE]* 56

Uruguay

Visiting Brazilian President-Elect Discusses Mercosur, Cuba *[Madrid EFE]* 56
PLUNA Privatization Fails *[TELAM]* 57

Venezuela

Proposed Summit Topic: Energy Fundamental Element to Security *[AFP]* 58
Caldera Opens Oil Congress; Minister Views Gas Prices *[Caracas TV]* 58
Discredit Campaign Sought To Accuse Former Army Commander *[EL UNIVERSAL 2 Nov]* 58
Army Intelligence Chief Removed After Release of Documents *[EL NACIONAL 2 Nov]* 59
Caldera Admits Infiltration of Crime in Security Corps *[Caracas Radio]* 59
Caldera, Minister Cited on IDB Extension *[EL GLOBO 4 Nov]* 60
Venezuela Receives 177 Cuban Rafters in Two Months *[Madrid EFE]* 60
Antidrug Trafficking Accord Signed With Dominican Republic *[Madrid EFE]* 61
Deputy Minister Regrets Occupation of Peruvian Embassy *[EL NACIONAL 4 Nov]* 61

Parlacen Urges U.S. Amnesty for Central Americans

PA0511002394 Panama City ACAN in Spanish 1743 GMT 4 Nov 94

[FBIS Translated Text] Guatemala City, 4 November (ACAN-EFE)—The Central American Parliament (Parlacen), asked U.S. President Bill Clinton to grant a type of amnesty to the immigrants of that region who live in the United States.

Guatemalan Eduardo Meyer, president of Parlacen's Political Commission, disclosed today that a message was sent to Clinton in which they expressed their "concern" for Proposition "187" promoted by California Governor Pete Wilson.

This proposition states that illegal aliens cannot receive health and education services.

Meyer explained that the U.S. President is informed in the letter that "the Central American immigrants do not represent a cost to that nation because economically they produce more than what they obtain from the national treasury."

They also remind the President that the Hispanic vote in some states "is considerable;" therefore, they ask for a type of amnesty for all illegal aliens who entered the United States before 31 December 1993.

Ramiro De Leon Carpio and Jose Maria Figueres, the presidents of Guatemala and Costa Rica respectively, also oppose Proposition 187 promoted by Pete Wilson, as they believe it "violates human rights."

When expressing his rejection of the proposal, De Leon said that Wilson "violates fundamental human rights by wanting to eliminate public assistance, medical insurance, and education services for the illegal aliens and their children."

"It is inconceivable that a nation considered to have a high level of development and that has always given evidence of defending human rights can produce a proposal totally contradictory to that system," stressed De Leon in statements to the press.

Central American Police Demand Update of Laws

PA0811040694 San Salvador LA PRENSA GRAFICA in Spanish 6 Nov 94 p 3A

[FBIS Translated Text] 5 November—The Central American police chiefs, who have been meeting in El Salvador since last Tuesday, yesterday demanded that penal legislation in the region be updated to help combat drug trafficking activities and other crimes affecting the isthmus.

At the end of their three-day meeting, the police chiefs issued a statement in which they call on legislators, judges, and prosecutors to promote laws that will help control the serious crime wave that is frightening more than 30 million Central American citizens.

The Fourth Central American Police Conference broached issues such as drug trafficking, theft, vehicular theft, and professional training for policemen.

The statement was signed by Belizean Deputy Police Director Ornel Brooks; Rodrigo Avila, the Salvadoran Civilian National Police director; Roberto Lazarus, the Honduran Public Security Forces general commander; Nicaraguan Police Director Fernando Caldera; and Guatemalan police representative Salvador Figueroa.

The resolution was also signed by Colonel Rafael Gutierrez, the Costa Rica Public Forces general director, and Panamanian Police Director Oswaldo Fernandez.

In a joint statement, the men responsible for public security on the isthmus approved the entire contents of the "Document Report of the Second Regional Conference Against Drugs" that was held in Managua on 27-28 September.

The police chiefs declared that the struggle against drugs in Central America must pass "from a mere exchange of information" to the use of joint actions "going from bilateral actions to regional operations."

The police hierarchy called on the Regional Technical Commission to Counter Drugs (CTRED) [Comision Tecnica Regional para el Enfrentamiento de la Droga] to meet with established regularity (every three months) to coordinate actions.

They also agreed to create a regional information network, which includes insurance companies and government institutions, to speed their actions in the search for, recovery, and return of stolen vehicles.

In this sense, the security corps promised to work together with legislators and judges in each country to update the penal, customs, and finance laws that will allow them to combat the illegal traffic of vehicles.

Another agreement was to integrate a technical research and study commission to unify training and mid-level police specialization programs.

The commission will meet in San Salvador on 1-3 December to prepare a proposal to organize the Regional Police Training Center (CRCP) [Centro Regional de Capacitacion Policial], which includes picking a base country and preparing a budget, among other issues.

At the end of the San Salvador meeting, the "Association of Central American Police Chiefs" [Asociacion de Jefes de Policia de Centroamerica] was established and the "Francisco Morazan" award was founded, at the gold and silver levels, to distinguish those association members who retire from their positions with honor. The first Francisco Morazan awards will be given out at the ceremony marking the anniversary of the Honduras Public Security Forces in Tegucigalpa on 15 January 1995.

Cuba

Ministry Official on U.S. 'Pressure,' Emigrants

PA0511155394 Havana PRENSA LATINA in Spanish 2333 GMT 4 Nov 94

[By Aissa G. Garcia]

[FBIS Translated Text] Havana, 4 Nov (PL)—Washington's recent measures of economic pressure against Cuba contradict the process to regularize the migration ties previously initiated by the island, a top-ranking Cuban Foreign Ministry official said today.

Jose Cabanas, head of the Directorate for Affairs of Cubans Residing Abroad, told PRENSA LATINA the 20 August restrictions negatively affect the legitimate interests of the immigrants in that country and their relatives on the island.

If a son here cannot receive his father who lives on the other side of the strait, there is also a father over there who cannot see his son, and there are people who cannot send the medicine needed by their relative. Thus, the negative impact of such measures are greater in the family sphere than in any other sector, he said.

In addition to the blockade, the White House decided recently to ban the sending of family stipends as well as to reduce flights between Havana and Miami, among other measures.

Cabanas charged such measures are geared toward limiting (family) ties, although they were allegedly adopted to stop money from going to the Antillean nation.

He said Cuba, as agreed, has implemented the measures announced at The Nation and The Emigrants Conference held in Havana last April. Those measures, he said, have the people's support.

He underscored in his statements that the migration issue has been used as another weapon against Cuba since 1959. This point, he said, is a reality we cannot leave to one side.

Cabanas clarified, however, that the Antillean country's migration policy is dictated toward furthering its own interests.

In his respect, he stressed the recent changes in Havana's position in favor of a rapprochement to an important group of the Cuban community abroad.

He mentioned as examples Cuba's granting foreign residency permits (PRE) [permiso de residencia en el exterior] to several Cubans who live in the United States and the direct talks between Cuban emigrants and Cuban officials, including the Cuban foreign minister, during their visits to foreign countries.

He clarified that this policy is not addressed to all the community abroad but, rather, to an important group within this community: the one that respects Cuba and rejects the U.S. blockade.

In his opinion, the Cuban policy is not only a package of measures but is broader, because it attempts to regularize the relations with those emigrants to reduce existing obstacles, including several of a migration nature.

Asked about the possibility of granting PRE's to the emigrants, he said this permit has been granted to relatives for quite some time and allows the beneficiaries to visit the country with certain regularity.

According to Havana's 23 August announcement, this permit will be extended to others who have some type of link with the country, be it political, economic, commercial, or of another nature, and to whom Cuba and its institutions are interested in granting this migration facility.

He clarified, however, that citizens who do not have the PRE still need to request an entry permit.

This permit, Cabanas underscored, can now be granted even to those who live in the United States, but it is a restrictive permit and will not be granted massively, he added.

For example, the permit can be granted to people who have been living in that country since before the victory of the revolution (1959) or who were taken there by their parents when they were children and who later have maintained a position of respect for Cuba.

Asked about the case of those who have a second nationality, he said when the citizenship law is promulgated, they will have to make some adjustments to it or to find a technical solution to basically allow a person to travel to the country with absolute freedom.

He also clarified the state will sovereignly grant this permit and, in like manner, can withdraw it in case the beneficiaries exhibit a hostile position toward Cuba.

In relation to the repatriation of several emigrants, he said this is a slower process, because it involves bringing people who are going to reinstate themselves in what used to be their sector, and they have to resign to their second citizenship. This measure, he said, will be adopted restrictively and will be more flexible for the elderly and those who are not a burden to society.

Cabanas announced the University of Havana and the Union of Writers and Artists of Cuba will hold a meeting next January. The meeting will gather women of Cuban origin who are residents in foreign countries and have links to the cultural sector.

He also mentioned the possibility of holding a meeting before the end of the year of journalists of Cuban origin who live in foreign countries.

Alarcon Views Work of ANPP Migration Forum

FL0411202094 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Two working sessions of the Foreign Relations Commission and the Constitutiitional and Judicial Affairs Commission of the National Assembly of the People's Government [ANPP] generated discussions of the different views presented on the migration issue.

Participants endorsed propositions dealing with the need of a new migration law to replace the one created in 1976, and the handling of migration from a political point of view—fitting it to sectors with special characteristics, like the arts and science sectors. The need for attention to the migration sector was noted as well, in order to prevent that issue from becoming a risk factor in the viability of the Cuban social project.

The conflict between Cuba and the United States, for obvious reasons, was latent during the two days of sessions. However, several participants referred to the handling of the migraton issue by successive U.S. Administrations, which turned it into a political issue, and used it as a hostage and weapon against the revolution.

Ricardo Alarcon de Quesada, president of the ANPP and chief of the Cuban delegation to the recent emigration talks, pointed out that the roots of the migration issue lie in the conflict between Cuba and the United States. He also noted that it is the issue most directly related to the political and ideological aspects of the confrontation.

Regarding the two-day meeting addressing emigration in the Convention Center, Alarcon stated:

[Begin Alarcon recording] It is really a unique exercise. This does not mean that it is crucial, which seems to be an annoying word to some people's ears, yet in some ways it is an answer to our actual situation. The meeting room is full of government officials, however, nobody is representing the government. It is a similar meeting to the ones held in other parliaments, with the participation of people who are not parliament members, but who help the work of the commission with their views and information.

Additionally, this exercise should help all of us to learn to understand and discuss these topics in depth with intellectual humility. [end recording]

PRENSA LATINA: Bank President Views Convertible Peso

PA0811021794 Havana PRENSA LATINA in Spanish 2235 GMT 7 Nov 94

[FBIS Translated Text] Havana, 7 Nov (PL)—Cuba could modify its monetary system with the introduction of a convertible peso, which would be created through a law to this effect, according to Hector Rodriguez Llompart minister president of the National Bank of Cuba.

In an interview with the local weekly OPCIONES, Rodriguez discussed the possibility of using a new currency and the advantages that such a measure would have for business operations conducted by foreigners in Cuba.

Here are the questions regarding the possibility of establishing a convertible peso:

[OPCIONES] What can you say about the creation of a Cuban convertible peso? Would its implementation modify the current exchange system regulating the Cuban peso?

[Rodriguez] "The creation or establishment of a convertible Cuban peso has been proposed, and we know that there is concern and speculation about the extent and effect of such a measure.

"We currently have a special situation in Cuba in terms of the circulation of currencies, because, as is known, the law authorizes the possession of freely convertible foreign currency, such as the Spanish peseta, the English pound sterling, the French franc, the Canadian dollar, the Italian lire, the U.S. dollar, and so on. Cuban citizens, foreign residents, and visitors may hold and carry these currencies without any restrictions, and, moreover, their use was authorized at establishments that sell merchandise and services in foreign currency.

"This happens virtually in no other country in the world, except perhaps for Panama, whose national currency is the balboa, which is equivalent to the U.S. dollar. In Panama, only Panamanian coins are circulated, because the bills that circulate are U.S. dollars. We have learned that this measure is based on an agreement signed by the United States and Panama in 1904.

"Nearly all other countries ban the circulation of foreign currency within national territory, but we authorized this to facilitate an influx of foreign currency.

"The creation of the convertible Cuban peso has been proposed, and this measure could be implemented through a law that would establish a national currency that could be exchanged for any convertible currency authorized to circulate in the country."

[OPCIONES] How would the convertible Cuban peso be established and what are the objectives?

[Rodriguez] "The convertible Cuban peso, if it is created, would be established by law, would have full financial backing in foreign currency, and could be exchanged whenever its holder wants to do so.

"It would be circulated along with foreign currencies that are currently authorized to circulate, and it would do so without interfering with them in any way and without any obligation to exchange it. This means that the liberalization of the possession of convertible foreign currency would be made completely legal.

"A convertible Cuban peso would have three main goals: first, to establish a currency that will constitute a symbol of sovereignty and resolve the problem of a lack of a convertible national currency; second, to facilitate the solution of several practical and technical problems in personal buy-sell operations conducted in the country with foreign currency; and third, to establish the convertible peso in the non-immediate but forseeable future as the sole currency in the country for all national and international operations.

"The convertible Cuban peso will help faciliate buy-sell operations of products and services in convertible currency and would free foreign, Canadian, and European tourists from their current practice of exchanging dollars to purchase goods and services, because they would be able to exchange their currency, whenever they so desire, for a national convertible currency to make such purchases."

Government Reaffirms Commitment To Investment Accords

PA0811025194 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Nov 94

[Report by Guillermo Alvarado; from the "Evening Information Review" newscast]

[FBIS Translated Text] The Cuban Government has reiterated its inclination to honor all agreements reached with foreign firms investing in its territory, and most of all to offer investment guarantees as well as trade opportunities.

For this reason, Article 23 of the Constitution of the Republic was modified in June 1992 and joint ventures were explicitly recognized as of that date. In addition to this, bilateral agreements have been signed with the goal of laying the groundwork to bolster confidence in our legislation.

Likewise, a draft bill that will further regulate foreign investment is currently being analyzed. This bill is expected to facilitate foreign investments by offering protection and clear-cut guidelines to investors by taking international trade practices and the main features of Cuba's socialist system into consideration.

The government also has stated that from now on no productive sectors will be excluded from foreign investors. In addition, there will more opportunities to identify joint interests in the service sector, which will lead to the establishment of economic associations.

To further attract foreign capital, a special tax system has been created, and there is willingness to provide additional advantages to those sectors that may require them. In the opinion of leading government officials, it is possible that foreign investors may even be allowed to become majority shareholders.

The steps Cuba is taking to promote economic recovery do not respond to isolated initiates but to an overall formulation, the primary objective of which is to ensure that the Cuban people attain the standard of living they desire and deserve.

Association of Spanish Businessmen Created

FL0511123194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] An outstanding event occurred today at the Havana Trade Fair: The Association of Spanish Businessmen was created, the first of its kind in Cuba.

[Begin unidentified speaker recording] This confirms that Spanish businessmen, or many Spanish businessmen, have always wanted to do business with Cuba and contribute to Cuba's economic future, expecting our benefits, logically, as any businessman would expect, but with honesty and seriousness. [end recording]

For Cuba, this associations means an important contribution to our economic and commercial relations.

[Begin unidentified speaker recording] One of the association's objectives is to work together, Spaniards and Cubans, in promoting trade, establishing contacts, and sharing experiences in establishing trade relations with Cuba. [end recording]

The European Union's presence at the fair is very important since its 12 member countries are represented in the European Union's pavilion. This is explained by the great interest these countries have in strengthening trade relations with Cuba.

[Begin unidentified speaker recording] There are many possibilities of making good business deals with Cuba. [end recording]

The (Sanachen) Company, from South Africa, is a world leader in the production of herbicides for sugarcane crops. It has signed a $10 million contract with Cuba's (Quimimport) Enterprise. Through this contract (Sanachen) will supply Cuba with herbicides, on consignment, for the forthcoming sugarcane harvest.

Economic Cooperation Accord Signed With Spain

FL0511122994 Havana Radio Rebelde Network in Spanish 0000 GMT 5 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] Spain and Cuba have signed an economic cooperation agreement, which calls for reciprocal promotion and protection of investments.

Spain's Council of Ministers announced the signing of the accord this Friday, in Madrid. The accord's object, according to the Spanish Council of Ministers, is to promote financial relations between Cuba and Spain and favor trade, by encouraging Spanish businessmen to situate themselves in the region. From a promotional point of view, the accord seeks to establish Cuban investments in Spain. The Spanish Council of Ministers' announcement underscores that this accord will increase mutual investments.

UN Grants $2 Million To Fight Drug Trafficking

FL0411234194 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] In July 1994, the United Nations approved a $2 million aid fund to help Cuba in its fight against drug trafficking. The money will be invested in the Cuban customs office and the Ministry of Interior to modernize both organizations, and purchase updated equipment to confront drug trafficking. The announcement was made following the visit by an international drug enforcement program representative in 1993, and by a UN commission. Orlando Bello Garcia, chief of Cuban customs office, explains:

[Begin Bello recording] They know that Cuba is willing to cooperate—as demonstrated by intentions, and real actions, not only with DEA, but with other countries as well—in the fight against drug trafficking. Cuba's willingness brought about a favorable evaluation which led to the aid fund. [end recording]

The aid fund is divided in two portions. The first million was presented in July 1994, and a similar amount will be delivered in 1995.

[Begin Bello recording] The aid will allow us to improve our digital communications system so that our international airports can communicate among themselves, and to develop a central data bank for the customs office. It will also benefit our radio communications system in order to fight drug trafficking more effectively within our borders. [end recording]

This is the first time that Cuba receives aid in this sector.

UN Delegate Outlines Counternarcotics Strategy

PA0611010294 Havana PRENSA LATINA in Spanish 0229 GMT 5 Nov 94

[FBIS Translated Text] United Nations, 4 Nov (PL)—Cuba today demonstrated its contribution to the world struggle against drug trafficking and stressed its willingness to continue to cooperate both multilaterally and bilaterally at the regional and international levels.

In a speech given at the third main session of the UN General Assembly to discuss Point 98 of the agenda entitled "International Drug Supervision," Cuban delegate Juan Antonio Fernandez said that this struggle is one of the most serious issues the international community will face as we approach the threshold of a new century.

He stated that this plight has acquired a truly international dimension and that it requires an efficient and well-coordinated international response, especially within the UN system. Fernandez added that this coordination is necessary due to the gap created by the magnitude of the problem as opposed to the UN system's collective capability to face it.

The Cuban representative emphasized that as we tackle the issue, we must begin, without excuses, by respecting the sovereignty of the states and fully adhering to the guidelines and principles of international law, especially those principles regarding nonintervention and the prohibition of threats or the use of force in relations among states.

The Cuban diplomat further asserted that Cuba believes drug consumption is the main incentive for the production and trafficking of drugs. That is why it maintains that if we truly want to have better results in the long run, the bulk of the measures must be aimed at preventing drug consumption.

He spoke about the attitude taken by the Cuban National Drug Commission, which, despite the major economic shortcomings the country is experiencing, seized more than 1,300 kg of cocaine in 1993 in 79 reported cases.

He also said this fact represents a 104-percent increase over the amount of cocaine seized in 1992 and recalled that all drugs seized are burned, as stipulated by accepted international procedures.

Although drug consumption does not constitute a social problem in Cuba, Fernandez said that efficient activities are being carried out to prevent the illegal use of drugs, to strengthen the system for controlling drugs and psychotropic substances, and to update some national laws to tackle this problem more effectively.

He added that while common interests and mutual respect always prevail, his country has continued to negotiate and sign bilateral agreements within and outside the region.

Robaina, Melendez Comment on Havana Fair

PA0611030294 Havana Radio Havana Cuba in Spanish 0100 GMT 5 Nov 94

[Report on interview with Foreign Minister Roberto Robaina and Ernesto Melendez, minister of foreign investment and economic cooperation, by Mario Munoz in Havana; date not given; from the "Evening Information Review" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] In the beginning, it was the curiosity that something new always elicits. As the years went by, getting a look at everything new that came with the Havana fair turned into an innocent tradition that now allows me to differentiate between the most important foreign companies and those that are simply formed to take advantage of the opportunities offered by Cuba, a new market in the Caribbean. Therefore, due to the truths triggered by a law as old as that of supply and demand, I have witnessed the disappearance of some imported products from the 12 Havana Fairs we have held. I have also seen that more products have joined the endless Expo Cuba pavilions, the scene of the fair. The security offered by the Havana government to foreign investors is one of the main reasons why these people are betting their money on the island. I must admit, however, that I was leery of the participants' success in this year's fair, because I was aware of the aggressive campaigns against Cuba conducted over the last few months since the rafters crisis began. A few days ago, while I was snooping around the fairgrounds, I ran into Cuban Foreign Relations Minister Roberto Robaina, to whom I expressed my doubts.

[Robaina] "There is something stronger than the campaigns: what people do and what cannot be hidden from people. I think this is one of the fairs that has cost us the most to open, but it speaks for itself, because those who have dared to come not only dared to come but also dared to come back and explain what they saw. I believe we are reaping what we have sown; it is as simple as that. The campaign could be very tough, but the resolve of these people and businessmen is even tougher. This is a daring island, and we have daring businessmen."

Ernesto Melendez, Foreign Investment and Cooperation minister, also remarked on the fair:

[Melendez] "Look, this is the undeniable result of the serious fashion in which Cuba has faced the economic situation and has taken internal and external measures to resolve it. This is also the result of the efforts we have been making over the last few years to readdress our international economic, commercial, and financial ties. We experienced very significant improvements in international ties in 1993, and in the first half of 1994 we consolidated these efforts. This fair shows many things: First, it shows trust in Cuba, trust that is the recognition of Cuba's seriousness in improving its international commercial and economic ties while arousing more interest in, let us say, the recovery of the Cuban economy."

During my walk at the Havana Fair, I spoke with several foreign businessmen. Most of them were pleased because Cuba has undoubtedly become a source of income for them. Several businessmen pointed out, however, that their sales have diminished over the last two months, especially after U.S. President William Clinton banned on 20 August remittances to the island and limited the number of flights between Havana and Miami. Foreign Minister Robaina gave me his opinion on this issue and on the possibility of lifting the Washington sanctions:

[Robaina] "Sooner or later, all awkward measures must be eliminated, and this is an awkward measure. I believe that we Cubans who live on the island and the honest Cubans living abroad, especially in the United States, are unwilling to support these measures. I do not think it will be much longer before they are lifted. Any weak administration that is always concerned about electoral results is concerned about other matters. I am sure the spirit and willingness of the Cuban negotiating team has never been missing; these measure must be lifted sooner or later."

Cubans visiting the fair are concerned because they see so many foreign firms interested in investing on the island. People here understand how necessary the participation of these companies is for Cuba, as long as their presence does not mean we will lose all the achievements we have made in the last 35 years. Minister Melendez had this to say:

[Melendez] "This is a principle upon which we have based our policies, not only on foreign investment but also policies designed to create the most varied economic ventures. These agreements, contracts, and accords we are signing are intended primarily to spur our economy and sectors of our economy and to reactivate our services. The government insists on implementing a policy that will preserve our revolution's social achievements. At the recent opening of the fair, Comrade Carlos Lage said that Cuba refuses to relinquish socialism, its ideology, and its philosophy, which have allowed more than 30 years of development. We see the presence of foreign firms and companies in our country, working along with us, as a contribution to help support the advantages obtained by the implementation of socialism in our fatherland."

This is the 12th Havana Fair, where there are myriad options for Cuba and businessmen from around the world.

Mexican Lubricant Firm Signs Supply Accord During Fair

PA0711123894 Mexico City NOTIMEX in Spanish 1635 GMT 6 Nov 94

[FBIS Translated Text] Havana, 6 Nov (NOTIMEX)—Cubametales and Mexicana de Lubricantes (Mexlub) signed two supply agreements for $3.2 million within the framework of the 12th International Havana Fair, it was reported today.

"Mexlub views Cuba as the most important market today. Cubans are excellent," Luis Pedraza, assistant sales manager of that Mexican firm, told the press.

According to representatives from both firms, there is a basic contract for $2.3848 million for immediate delivery, and another on finished products for $461,905.

In addition to those agreements, a letter of intent was signed according to which Mexlub will supply Cuba with grease, lubricants, and basic oils during 1995 for an amount to be negotiated.

Pedraza said that another agreement between Mexlub and the state-run Cuba Petroleo is being studied for the lubricant processing plant in Santiago de Cuba, on the eastern part of the island.

Francisco Bernal and Luis Padraza, Mexlub sales manager and assistant sales manager, respectively, signed the contract for the Mexican side.

The Cuban firm was represented by Pedro Perez, deputy foreign trade minister and Cubametales director, and Benjamin Santos, Cubametales deputy commercial director.

The products to be received through these contracts will be used by the Sugar Industry and Agriculture Ministries.

According to sources from the Cuban enterprise, by the end of the Havana International Fair (FIHAV '94) this Sunday, Cubametales will have signed contracts for $11 million in the sugar, oil, food, iron, and steel industries.

Before and during the fair, Cubametales signed agreements with other firms in Venezuela, Mexico, and Spain to support the next sugar harvest, the country's main industry.

Cubametales, which is under the Foreign Trade Ministry, is one of the 270 state enterprises participating in the fair, which in general grouped more than 1,000 firms from 46 countries. The fair began last Sunday.

Minister Accompanies African Politician on Visit to Fair

FL0711015094 Havana Radio Reloj Network in Spanish 2031 GMT 6 Nov 94

[FBIS Translated Text] Julius Nyerere, president of the south central South-South Commission, has toured the 12th International Fair at ExpoCuba. The fair ends this afternoon. Foreign Trade Minister Ricardo Cabrisas and Carlos Salsamendi, president of the Cuban Chamber of Commerce, accompanied the African politician. Nyerere said that his interest in the Cuban people's struggle to survive is what drew him to Cuba. The statesman acknowledged Cuba's difficult economic circumstances and pointed out that Cuban enterprises are trading and placing new products on the market despite the difficulties.

Havana Fair Endorsed by International Association

PA0711142194 Havana PRENSA LATINA in Spanish 1006 GMT 7 Nov 94

[FBIS Translated Text] Havana, (PL)—Abraham Maciques, president of the organizing committee of the 12th Havana International Fair, said during the closure of the fair that the event, one of the most attractive in Latin America, has been endorsed by the Association of International Fairs.

Maciques said that the fair resulted in a number of transactions higher than in 1993 and that deals totaling more than $30 million were closed in addition to being the largest of all so far.

One thousand sixty-eight firms of 46 countries, including 270 Cuban firms, participated in the fair, which was opened on 30 October. The fair has been held every year since 1983.

Juragua Nuclear Plant Preservation Used as Model

FL0711141594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 7 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Measures have been implemented at the Juragua Nuclear Plant in Cienfuegos to preserve its equipment. This experience can be used by other large Cuban industries.

The temporary halt in construction two years ago marked the beginning of a process of preservation which, together with other technical and organizational measures, will make it possible to restart this project in the future. The plant's preservation program comprises a series of activities to preserve equipment, pipes, buildings, and other facilities from environmental deterioration. The results attained here could be applicable to other industries that have been halted for diverse reasons.

[Begin Jesus Perez Othon, vice minister of basic industries, recording] We are not thinking about industries that are about to be completed but others which have been halted temporarily due to the present situation. For example, corrugated materials, burlap sacking, and paper factories which are halted today but could be restarted in the future. [end recording]

A demonstration class was held at the plant for the prime reason of helping spread the knowledge of preservation acquired by the workers. The class was attended by Basic Industries Ministry chiefs and officials, chief engineers and mechanics, and a delegation from the Revolutionary Armed Forces. The class showed how the results attained in the preservation of the Juragua Nuclear Plant can be transferred to any other industry regardless of its complexity.

Together with preservation efforts, the nuclear plant is gearing toward the probable creation of an economic association which will use foreign capital to complete and exploit the plant.

Castro Attends Ninth Science, Technology Forum

FL0711015194 Havana Radio Reloj Network in Spanish 2036 GMT 6 Nov 94

[FBIS Translated Text] Commander in Chief Fidel Castro said during the Eighth Science and Technology Forum that this is one of the Revolution's most marvelous movements of the special period. This was demonstrated once again with the 11,700 solutions discussed at the Ninth Science and Technology Forum, held in

Granma Province last week. The most outstanding of the 113 papers that received awards at the final meeting were:

"The Woman from Bayamo," by Elsa Arias;

"The Scout," by pioneer Dioneski Roman;

and "Autochthonous Bacteria Against Porcine Salmonellosis," by Dr. Mariano Arian Sylveira, professor at the Farming Sciences Higher Institute.

Sugar Minister Addresses Conference

FL0711151994 Havana Radio Progreso Network in Spanish 1200 GMT 7 Nov 94

[Passages within quotation marks are recorded; from the "First Thing" program]

[FBIS Translated Text] The Cuban sugar industry is undergoing a process of change which in the long or short term will reestablish traditional sugar production levels said Sugar Industry Minister Nelson Torres, in a reflection on the opinions of the Cuban leadership. During an important address to the 44th Sugar Technicians Conference, Torres, who is also a member of the Politburo, acknowledged the existence of subjective limitations. Since 1990 and the onset of the special period, these limitations have fostered the decline of sugarcane plantations and the entire sugarcane agriculture, running the gamut from the imbalance in cutting and transportation to the devastation of the industry.

[Torres] "Parallel to these objective issues, the truth is that subjective problems had a significant influence. We began to stop doing things which we could have done independently of those material resources. We began to lose enthusiasm and to think that without the regular amounts of fertilizers, or fuel, we could not truly maintain our sugar production. These were two basic elements in sugar production—fertilizers and fuel. We have to acknowledge that this situation created a problem of skepticism among the workers and cadres. Thus, despite all the efforts to find alternatives and to work and to confront these difficulties, we were not capable of standing up to the task. This resulted in a process of deterioration, and a decrease in sugar production."

Minister Nelson Torres urged an end to the industrial production decline.

[Torres] "Where is the problem? The problem, and the challenge all the members of the agroindustrial complexes have—every sugarcane producer nationwide has—is to stop that decline and to begin increasing sugar production under the current conditions, with the resources available. What if we had more resources? No, we already did this with more resources. The trick is to do it with the resources available and the harsh current special period conditions and the severe limitations. We are engaged in a vicious circle. The problem is that we need more resources in order to have sugar, and we need more sugar in order to have more resources. But since we are in a circle, we continue going around and around and declining year after year. The goal now is to stop that decline, to break the circle or barrier through improving our attitudes—through the most powerful resource we have for overcoming the special period: our workers, our technicians, our cadres, our people."

After denouncing bureaucratic inconsistencies, Torres stressed that the new sugar production awareness is resulting in changes. This, he added, was noticeable in Camaguey Province.

[Torres] "No. We sit back like there is no special period. We are doing poorly and that is it. That was the attitude we found. The other explanation was that the operators are inexperienced because the good operators have left the sector. That is also a problem of attitudes. We have to recruit back those operators. We have to talk with them, take care of them. Why did good operators leave? Because we have not taken care of them. They are key workers, many of them cut 20,000 arrobas, 25,000 arrobas, some even 30,000 arrobas. You see them cut 16,000, 18,000 and even 20,000 arrobas with the KTP-2 combines. How can we not take care of these workers, not speak with them, and talk about their problems and help them? This is why so many have left. How did we tackle that problem in the previous harvest? Managers said they did not have the labor force to operate the machines and that was their excuse. It is all a problem with attitudes. We, the cadres, have to go and recruit these workers back, have to talk with them, convince them, explain things to them. We have to bring them back and put them back in the driver's seat. We have to take care of them so that they will not leave but stay and do the harvest. This is what the commander in chief is asking from us.

"During our recent visit to Camaguey, the combines have had motors retooled—at least one of every 10 motors has been retooled. In two of the mills I visited, the motors were in better shape than ever in their history. This is what happens when attitudes change and people seek to find solutions, to work, to repair. These solutions begin to appear. When we first brought this up, some comrades at the ministry did not believe in it. They thought it was impossible; however, the workers did it."

The boilers are an essential part of the entire industrial tandem. What happened during the previous harvest cannot be repeated in this one.

[Torres] "Much of this has to do with the cadres' attitude. If we are strict, this does not happen. We visit any mill and we are immediately told that they want to build a new boiler. They tell you, the problem here is that we need a new boiler. You visit the boiler and what is the situation with combustion efficiency? Terrible! Who is operating the boiler? The most junior of workers. A boiler cost 1 million pesos in small mills and 2 million in large ones. The boiler and the generation section are the last phase of the tandem. So why is the most inexperienced of workers in charge? We have to train them, or give the job to a technician, somebody with experience, people who know what it is to do the job right. What is the peak, the curve? How does it function? Where in the curve are we at any moment? How can we operate at maximum efficiency? This is how we save bagasse and bagasse saves hard currency. Bagasse is for us the greatest source of wealth because it is what truly allows us to complete the process. Yet, we always have problems with bagasse. All that is technical shoddiness, a lack of discipline, a lack of the technical excellence we must aspire to in the sugar industry."

The debates in Matanzas stressed for the sugar industry technicians that only by working with excellence, will the harvest be able to attain the highest levels of industrial efficiency, not as a goal but as a practical demonstration of willpower.

Balaguer Tour Reveals Coffee Grinder Problems

FL0711155294 Havana Radio Rebelde Network in Spanish 1255 GMT 7 Nov 94

[Report by Granma correspondent Alcibes Garcia; from the "Doing Radio" program]

[FBIS Translated Text] [Garcia] Good morning. A few days ago I participated in the tour conducted by Jose Ramon Balaguer, Politburo delegate in Granma, through coffee plantations in Guisa Municipality, one of the main coffee-producing areas in the province. This municipality is expected to surpass its coffee production projections. However, we saw certain deficiencies which hamper the efforts and affect quality. A worker at the coffee pulp removal facility in Pilon de Victorino, explains the problem.

[Begin recording] [Unidentified worker] The main problem here is the grinders. They are always breaking down.

[Garcia] Why?

[Unidentified worker] I believe this is the result of—I do not know how to explain it. The mechanics must not care to fix it right. If they would maintain it normally, the way it ought to be, it would not break down as much.

[Garcia] What problem does this cause?

[Unidentified worker] The problem you can see here. The majority of the coffee has fermented. We can never grind the coffee the same day because there are always problems over there. Not being able to grind the coffee the same day causes fermentation. This is a serious problem because if all the coffee is going to be of poor quality, what is going to happen in the end? This is no good, no good. [end recording]

Power Department Director Cited on Frequent Outages

PA0511211194 Havana PRENSA LATINA in Spanish 1523 GMT 4 Nov 94

[FBIS Translated Text] Havana, 4 Nov (PL)—A source from the electrical energy sector confirmed to PRENSA LATINA today that the prolonged and frequent power outages taking place in Cuba in the last few days are the result of several breakdowns at three of the country's main thermoelectrical plants.

Jorge Carballo, director in charge of the Electrical Union's Power Distribution Department, said the Otto Parellada Plant in Havana City, the Santa Cruz del Norte Plant in Havana, and the Antonio Maceo Plant in eastern Santiago de Cuba Province have reported leaks in their installations.

Due to these ruptures and to the off-lining of the Antonio Guiteras Plant in Matanzas Province since 31 October, unscheduled electricity cuts have been taking place throughout the island, the source explained.

Due to the economic and material shortages the country has been experiencing for the past five years, authorities have begun implementing a regulating energy supply plan, which is conditioned by the availability of fuels and affects the residential and state sectors.

According to what Carballo told PRENSA LATINA, the lack of oil has not affected this plan on this occasion.

He maintained that all these power outages have generated a shortage of energy, and the outages are expected to improve within the next 24 hours after industry workers are able to revert the current situation.

Power Director: Electricity Generation Better

PA0611162894 Havana PRENSA LATINA in Spanish 1321 GMT 5 Nov 94

[FBIS Translated Text] Havana, 5 Nov (PL)— The generation of electricity was slightly better during the past 24 hours compared to previous days after damaged blocks were repaired at three major thermoelectric plants in Cuba, a source from that sector reported today.

According to Jorge Carballo, director in charge of the power supply at the country's electricity union, the generation of electricity, and, consequently, the power supply, improved yesterday compared to the previous day after the damaged units were repaired.

The blocks at the Otto Parellada and the Santa Cruz del Norte Thermoelectric Plants in Havana and the Antonio Maceo Plant in the eastern province of Santiago de Cuba were not functioning well. It was possible to produce approximately 150 to 160 megawatts more than the previous day after they were repaired, Carballo said.

There were more power outages than expected throughout the island as a result of those interruptions and the separation from the National Electricity System (SEN) of the Antonio Guiteras unit in Matanzas Province.

Carballo, who was cited by GRANMA, the official newspaper of the Communist Party, said the unit in Matanzas, the main cause of the unbalance in SEN's capability to generate power, is still out of order. He added the repair works and the testing and control process should be over today.

Carballo said it is possible the plant could resume its operations again sometime today (Saturday). Carballo said yesterday, in a statement for PRENSA LATINA, this week's frequent and extensive power outages were not due to a lack of fuel this time.

In view of the material and economic limitations the country has been facing over the past five years, Cuban authorities have started implementing a plan regulating the supply of electricity, which depends sometimes on the availability of oil, in both the private and public sectors.

Electric Union Links Increased Power, Plant Repairs

FL0611203694 Havana Radio Rebelde Network in Spanish 1800 GMT 5 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] The Electric Union has reported an increase in power supplies following repairs to the Otto Parellada thermoelectric plant, in Talla Piedra, the Antonio Maceo plant, and another in Santa Cruz del Norte on 3 November. Although approximately 150 to 160 more megawatts are now available, the national electric system deficit continues due to the fact that the Matanzas thermoelectric plant remains off-line. However, repairs are expected to be completed today.

Crombet Discusses Progress Report Process

FL0511004994 Havana Radio Rebelde Network in Spanish 1255 GMT 4 Nov 94

[Interview with Jaime Crombet, vice president of the National Assembly of the People's Government, by reporters Roberto Cavada and Gisela Bel Heredia, Carlos Sanabria, and Cabrera Peinado, and Miguel Grave de Peralta, president of Las Tunas People's Government Provincial Assembly, APPP, at Radio Rebelde Studios; from the "Doing Radio" program—live]

[FBIS Translated Text] [Bel] Today we will be discussing the progress report process with Jaime Crombet. I would like to touch on a concern I have. First, reporter Carlos Sanabria Marrero is on the telephone with a question for you.

[Sanabria] Jaime, frequently, certain entities, organizations, or enterprises make decisions within a district or in a people's council to change a small market, to close it down, or assign a vacant housing unit, and, in doing so, they do not consult with the council's president, much less with the district delegate who ultimately has to answer directly to the disgruntled people. I would like your opinion of this situation.

[Crombet] I agree with you. It seems to me that this is a bad method employed by these institutions; particularly, if these are municipal institutions. In the closing of a market, or the assigning of a housing unit, the municipal administrative council should always participate; unless these are basic resources of a certain body of the state's central administration.

Regarding these things you referred to, which sometimes have strong political impact and which all citizens in the district community are very interested in, they should be routed through the people's council and the district delegate. It seems to me you are quite correct in your concern about this issue that very often provokes ire among the people. Many times the people are not told about decisions, which at times are incorrect decisions that affect every citizen.

[Sanabria] Thank you very much. I believe that your answer strengthens the authority of both the People's Council president, and the delegates. Thank you very much.

[Bel] Jaime, I would like to say that the very progress report process gives voters greater participation in the planning process, and greater opportunity to propose solutions to the problems. I was thinking that the name, Progress Report Meetings, was a little stale; that it did not have enough appeal to motivate the people, I would say. These meetings have been given a lot of thought; because the local people who make projections, propose solutions, voice their support, are those who implement the solutions. The actual reading of the progress report could become just one facet of the meeting and therefore these meetings would not be held for the sole purpose of progress reports.

[Crombet] Yes, I think you are also correct. I think that, out of habit, we call them progress report meetings. It is considered a basic tenet, it is a basic principle of our democracy; all elected officials render a performance report to their constituency. That is the main purpose of this kind of meeting. However, they are not held solely for that purpose. We are also promoting the idea that these meetings are not only held to give a progress report and for the promotion of solutions with the participation of the people, but are also used on certain occasions in combination with children's activities, youth activities, or certain cultural events. They can be used to award distinguished individuals from the district, such as the mother of martyrs, the elderly, and great patriots. It can be used commemorate birthdays of outstanding local individuals, award important accomplishments of laborers, workers, scientists in the district, as well as achievements of outstanding students in the district.

[Bel] Yes, we agree on that. It should become a community meeting, a neighborhood meeting, where their main problems are discussed. Last year, I attended a progress report meeting in which—in spite of the fact that nothing was accomplished—was the best meeting I had ever been to. Decisions were made in that meeting about where to secure raw materials, where they would be stored, who would participate in the brigade. This meeting ended with an effective plan where each citizen felt that he had participated. It was a fantastic meeting, even though the delegate arrived there without having accomplished the objectives. The discussion of the issues and the peoples' input resulted in producing the best meeting I participated in last year.

[Crombet] This is how we would will like all the meetings to be. It might be useful to reevaluate the title progress report, but I believe the main issue is not the title, but the essence and quality, in choosing the proper place and time, its content, the manner in which it is carried out, and the people's participation.

[Peinado] Jaime, the progress report process, I think seeks, in today's environment, a more integral conception and breaking with formality a little, right?

[Crombet] Absolutely, yes, you are entirely correct. I believe that [passage indistinct] where every issue of interest to the community can be discussed, beginning with the most urgent, important problems for the district. For example, in the tobacco-producing zone, it is logical the discussion be based on the necessity of all the people to support the tobacco campaign. [words indistinct] If we are in a coffee producing zone, we should not stop seeking the full support of the local people in the coffee harvest. This is the same for Bahia Honda; in La Palma, the people must support the sugarcane campaign. Additionally, any problems that affect the population such as distribution problems, problems [words indistinct] transportation, distribution, the quality of bread, and medical service problems. We believe it is an integrated, very complete meeting, where the mindset and opinion of the people can be made known, as well as the progress of the events; and where the participation of the people in the leading issues and the nation's economy, and all things that affect district peoples' daily lives can be promoted.

[Peralta] We are all enthusiastically participating in the progress report process here.

[Crombet] Just as the people of Las Tunas have always done. I wanted to ask you how you are organizing and encouraging the participation of the delegates of the provincial assembly and the deputies from Las Tunas in this meeting; and how do we make this a form of increased contact between provincial delegates and representatives with their voters; even though it is not the only opportunity, as any work center assembly, or any impromptu visit would accomplish the same thing. Additionally, I would like you to discuss the preparations for the upcoming sugarcane harvest, the level of participation by the people, and how the sugarcane industry recuperation efforts are going in Las Tunas.

[Peralta] In regard to your first question, I can say that the deputies and delegates to the provincial assembly are working very hard on the progress report process. I would like to point out that in the preparation phase of the process, the active participation and experience of the deputies, their participation in the most difficult areas, where a more thorough explanation is needed, were all kept in mind. In the preparation phase the issue foremost on our minds was to tackle them and attain a high percentage of participation, and pride in the accomplishments of the previous progress report. We solve an average of 78 percent of the problems brought to us. It must be pointed out, Jaime, that those problems discussed that have not been resolved are tied to the economic problems Cuba is currently experiencing.

We have believed from the beginning in what you were saying; that the most important thing in the process is quality. We believe in holding small meetings encouraging exchange between delegates and voters, that are organized, and where all sectors of the community, mass organizations, and all citizens participate in. We want all the people to participate enthusiastically, and to keep to the agenda. The goal is to do it well; the best progress report meeting is not the one that finishes first, but the one that is well done and complies with the guidelines of the National Assembly. I was listening to comments by other comrades and would like to tell them that the managers of basic service units here in Las Tunas do show up and a program was designed to assure their participation.

Something important surfaced during the preparation phase, that the success of the progress report process is not determined by the preparation phase, but it is the daily work and ties of the delegate to the people, the every day efforts of the people's council. Those that really achieve success have demonstrated that it is mainly due to these facts. This daily link between the delegate and the people is the work and purpose of the people's council.

The main issues of discussion have been problems with road and residential street repairs, repair and maintenance of electric lines, among others, all the nation's problems were discussed here. I have to say that one has to recognize and admire the revolutionary conduct of all the people at the meeting because we all know the very real difficulties in repairing, for example, appliances. For example, in the province we have approximately 11,000 refrigerators in need of repair, about the same number of televisions, and nevertheless, this issue is not commonly brought up in the meetings because the people understand the problems and their causes.

[Bel] We are out of time. Thank you, Peralta.

Inter-American Affairs

Caricom 'Contention' Reported Over U.S. Summit Agenda

FL0711221594 Bridgetown Caribbean Broadcasting Union Television in English 1810 GMT 7 Nov 94

[Report by unidentified Trinidad and Tobago Television correspondent; from the "CBUTV Caribvision News Feed"; broadcast in progress]

[FBIS Transcribed Text]...but [Trinidadian] Foreign Affairs Minister Ralph Maraj says the American agenda is also informed by Caricom's [Caribbean Community] desire for increased trade and economic links with North America. The summit has been initiated by U.S. President Bill Clinton as a means of encouraging greater links among countries of the hemisphere. However, a report coming out of CANA claims there is contention in Caricom over traditional American focus on security and political democracy, and this at the expense of Caricom's desire for increased trade and economic links:

[Begin Maraj recording] I think contention is too harsh a word. I think there is awareness that we must keep trade matters in focus, and, in fact, I think that the United States' draft document does, indeed, reflect the concerns for a hemispheric free trade zone and the need to build upon this and to advance the whole question of economic integration and cooperation. I think that there is a similiarity of view between Caricom and the United States Administration. [end recording]

Haiti

New Prime Minister Presents Policy Statement

FL0711211694 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Nov 94

[FBIS Translated Excerpt] Haiti's new prime minister stressed during presentation of his general policy statement that his government will try to resolve a number of problems during its mandate. The most crucial problem is that of corruption, which, he says, has prompted people to lose confidence in justice. The second major problem, the minister pointed out, is the lack of structures in the judicial system, which, he says, has always been too slow to be effective. Michel wants to decentralize justice for the well-being of the community. [passage omitted]

Haitian Prime Minister Smarck Michel supports setting up deadlines for implementing the Haitian economic liberalization plan that Washington supports. Michel, a 57-year-old businessman who is close to President Jean-Bertrand Aristide, expressed reservations during presentation of his general policy statement, which the senators unanimously approved. Without ever mentioning the United States, he first recalled that within the scope of its relations with the international community Haiti has committed itself to opening the Haitian economy. He also pointed out that the Haitian people demand justice and respect for their political rights. [passage omitted]

Senate Approves Michel Policy, Cabinet

FL0711210094 Port-au-Prince Signal FM Radio in French 1130 GMT 7 Nov 94

[FBIS Translated Text] The Senate unanimously approved Haitian Prime Minister Smarck Michel's general policy statement and cabinet on 7 November. A total of 13 senators voted: Senate President Firmin Jean-Louis observed tradition and did not participate in the vote.

Michel will present his general policy statement to the Chamber of Deputies today.

He promised free elections as part of his general policy statement and named his cabinet, which reflects a wide range of political views. He assured the Senate that his government will operate on the principles of democracy, justice, and tolerance. Michel, a 57-year-old businessman who is close to President Aristide, named his cabinet, which includes figures of different political backgrounds. The list is subject to legislative approval.

Most key posts remain in the hands of personalities considered close to President Aristide.

Six members of the resigning Robert Malval government retain their posts:

Claudette Werleigh remains foreign minister, Marie-Michele Rey remains finances and economic affairs minister, and Rene Prosper remains interior minister.

Retired General Wilton Lherisson has been named national defense minister.

Attorney Ernst Mellebranche, an independent who has held the posts of Port-au-Prince Bar president and state counselor, has been named justice minister.

Michel solemnly told the senators before the vote of confidence: I pledge to create the democratic environment that all legislative, municipal, and local candidates need to hold free elections:

[Begin Michel recording] I pledge to create the democratic environment that all communal section administrative council candidates need to hold free elections. I pledge to create the democratic environment that all city hall candidates need to hold free elections. I pledge to create the democratic environment that all candidates for deputy need to hold free elections. Finally, I pledge to create the democratic environment that two-thirds of the Senate needs to hold free elections. My government will see to it that Parliament is provided with tools it needs to be more effective. A juridical council will be established for each of chamber, to include private and public legal specialists. We will also considered the personnel, equipment, and premises needed so that Parliament can fulfill its constitutional duties. Each commune's elected representative will have an office in his or her commune to promote voter registration. This is the elected representative's responsibility and the voter's fundamental right. [end recording]

Haiti's new prime minister supports a pact with the private sector to rebuild the nation's wealth, as well as establishing deadlines for privatizing the public sector in an effort to avoid the ultraliberal path's socially damaging effects.

Maurice Lafortune, a moderate, has been named commerce minister: He is also president of the Haitian Chamber of Commerce and Industry, the most important employers' association in the country.

Three ministerial posts have been entrusted to political officials:

Jean-Claude Bajeux, deputy leader of the National Congress of Democratic Movements, a social democratic party, has been named culture minister;

Anthony Barbier, a leader of the Nationalistic Progressive Revolutionary Party of Haiti, a socialist party, is in charge of administration and public service;

and Enold Joseph, of the National Front for Change and Democracy, has been named social affairs minister.

Among the members of the Malval government who have retained their posts:

Jean-Marie Cherestal, planning and external cooperation minister;

Jean Moliere, public health and population minister;

and Agriculture Minister Francois Sevrin.

Henry-Claude Menard, a faithful friend to President Aristide, has been named information minister.

Emmanuel Buteau, a teaching specialist, has been named national education minister.

Two new ministries have been created: the Women's Rights and Affairs Ministry and the Ministry of Haitians Living Abroad.

Marie Lise Dejean, a doctor and militant feminist, has been entrusted with the Women's Rights and Affairs Ministry;

Engineer Fritz Casseu has been entrusted with the Ministry of Haitians Living Abroad.

Engineer Marc Henry Rousseau Francois, a renowned technician, has been entrusted with the Public Works, Transportation, and Communications Ministry.

The cabinet is rounded out by four state secretaries:

Leon Jeune, for justice;

Patrick Elie, for national defense;

Rockfeller Guerre, for mining;

and Evans Lescouflair, for youth and sports.

Michel also announced that a minister without portfolio in charge of environment and a state secretary of tourism connected with the Commerce and Industry Ministry would be appointed in the future.

Deputies Confirm New Prime Minister

PA0811045894 Paris AFP in Spanish 0422 GMT 8 Nov 94

[FBIS Translated Text] Port-au-Prince, 7 Nov (AFP)—Haitian deputies voted massively to support new Prime Minister Smarck Michel, thus concluding the confirmation process of the new government on the evening of 7 November.

Michel's general policy outline received 53 favorable votes out of 56.

The senators had given him total support on Sunday.

President Jean-Bertrand Aristide will swear in the new prime minister and his government on the morning of 8 November at the National Palace in Port-au-Prince.

Port-au-Prince Mayor Evaluates U.S. Occupation

PA0411205694 Mexico City LA JORNADA in Spanish 31 Oct 94 pp 46, 55

[Part I of a report on an interview with mayor of Port-au-Prince Evans Paul by reporter Blanche Petrich in Port-au-Prince; date not given; quotation marks as published—first six paragraphs are a LA JORNADA introduction]

[FBIS Translated Text] Port-au-Prince, 30 October—Mayor Evans Paul works in a building surrounded by indications of the U.S. military occupation. The GI's (General Infantry of the U.S. 10th Mountain Division) have installed a radio unit a few meters from his private office, in front of the area leading to the second level of the Mayor's Office. The entrance to the Mayor's Office, protected by barbed wire, is controlled by U.S. soldiers in jeeps and in armored vehicles occasionally.

Nevertheless, popular K. Plim (a pseudonym he had inherited as a journalist from the days when he had opposed Duvalier) has said the principles of sovereignty and self-determination "have a predominant place on the scale of values" of the new Haitian Government, adding "very clear limits" should be established against U.S. power.

Paul is convinced there are possibilities for developing a model that will defend the interests of the poor in Haiti despite Washington's patronage during this new era of his country's life. Paul, who was a critic of U.S. policy toward Haiti for many years, says now: "Many things have changed in the United States." He has said the debate on sovereignty is important among intellectuals, not among those who were hostages of the military leaders for three years. He has said "we must avoid isolating ourselves from the grass roots sectors at all costs."

He has criticized President Aristide—"his problem is that he is a priest and acts as an individual, not as part of a group"—and has self-criticized himself: "We were an isolated government three years ago. A majority without alliances is a minority. We did not hold power. Power is not being there but being, rather, capable of managing and changing public power. One is a symbolic leader only without a structure and a team.

Despite being described as "the U.S. candidate" to succeed Aristide after the elections, Evans Paul is straightforward when it comes to pointing out his differences with Washington.

[Petrich] As an authority that has been reestablished, you are coming into contact with the Americans on a daily basis. What do they expect of you?

[Paul] Nothing. I am a Haitian citizen, and I am involved in politics. I am obligated to have relations with the entire world. For years I have criticized U.S. policies, because they have been allied with individuals who are archetypical of a retrograde minority, responsible for Haiti's misery. I can finally say something is changing in the United States, many believe these changes are not in-depth.

I do believe we must be realist. One must have the courage when things are going poorly to acknowledge that things are going poorly. One must also have the courage to say when conditions are improving that things are improving, and they must work for them to improve even more. I am representative of a major political force. I am a member of a downtrodden social class. Respecting my personal dignity, my political position, I am allowed to have all sorts of friends: Canadians, Mexicans, or Americans. This point does not mean I am an agent or the instrument of any foreign government. That is something I will never become.

[Petrich] Are you happy with the situation?

[Paul] It does not make me happy to see that the Mayor's Office has to be guarded by a foreign army or to see the U.S. so involved in our political life. It is a consequence, however, of the coup d'etat and of the stubbornness of General Cedras, who had avoided any other kind of solution.

I also see, however, there are many things that are changing in the world. I see a man who was a political prisoner for years and is the head of state of his country today. I am talking about Nelson Mandela. I see a man who was governor of one of the most backward states in the United States, a man who was not important in the U.S. political sector, and he is the President of his country today. I am talking about Bill Clinton.

"I see a China opening its markets even if it is Socialist. I see that Cuba is doing the same. We have to learn to live with so many changes. We cannot have an eternal conflict with the United States. We have to accept the relationship but know where to set the limits. There also has to be limits for Haiti. The U.S. troops are here for the time being, and they are guaranteeing the security of this building. They do not manage the mayor's office, however, and they do not tell me what to do and what not to do. My feeling? I feel bitter, and I do not deny it."

[Petrich] Where are the limits? Who sets them?

[Paul] The Haitian authorities who are responsible for the country. The limits are established based on our people's interests. I am going to give you an example. The U.S. firms that operated here during the Duvalier era did not pay taxes. Theirs was an entirely aberrant behavior. The wages they pay here are but a fraction of what they pay in the United States. If they pay a worker $5 an hour in the United States, they would pay $3 a day here. Our main contention must be to establish a correct fiscal policy for those firms. When you have an economy destroyed by so many years of crisis, you need a lot of effort, much cohesion in the political forces, a strong determination, and a great deal of solidarity from your real friends.

[Petrich] As things are right now, what place do such principles as sovereignty and self-determination occupy on the Haitian scale of values?

[Paul] They hold a very important place. Do not think otherwise, but the macout and military tyranny had caused so much suffering that the Haitians now see the foreign forces as some sort of liberators. Therefore, there is some debate among intellectuals but among the rank and file, who were hostages of repression for the past three years, there is no question: The U.S. troops have saved them for the time being.

It is a very complex issue, and one cannot divorce as a political force oneself from the people's view of the current situation. We cannot isolate ourselves from the rank and file, especially in view of the great risk of their being won over by the United States, something which must not happen.

The U.S. forces are here; they allow the people to express themselves; they have ended repression; they are carrying out social programs. What are we to do then? Criticize them? We cannot. We must take gradual and very discreet steps to win back the people's affection.

As Aristide, Paul was born in a low-income neighborhood of Port-au-Prince. He was involved in the theater as a youngster. He and journalist Filo waged a harsh battle as radio reporters during Jean Claude Duvalier's regime, denouncing the dictatorship's crimes.

Paul was attacked three years ago, two weeks after Raoul Cedras' military coup, by a group of paramilitary troops at the airport as he attempted to travel to Caracas. Covered in blood, he was left for dead, but he survived.

Paul attempted to reorganize the National Front for the Construction of Democracy [Frente Nacional para la Construccion de la Democracia] on two occasions during the Cedras regime. His attempts were thwarted by armed attacks on both occasions. Plim is, at 48, ageless and an extremely dapper dresser, the popular leader who will unquestionably succeed Aristide in 1995 in the opinion of many analysts.

Everyone asks him the same question: Do you want to be president of Haiti? He calmly awaits the question, like a doorkeeper on guard: "My position is that I have had no personal ambition for power ever since I have been involved in this struggle. I never intended to be mayor of my city. I am mayor, because I understood the need to fill spaces. It was not my decision but the decision, rather, of my party, my people. The party has not yet decided whether I will again be a mayoral candidate in the next elections. These strategies are not priorities at this time of adjustment. But no, for me, being president is not a goal."

Discusses Development Model

PA0411210894 Mexico City LA JORNADA in Spanish 1 Nov 94 p 51

[Part II of a report on an interview with mayor of Port-au-Prince Evans Paul, by reporter Blanche Petrich in Port-au-Prince; date not given—quotation marks as published]

[FBIS Translated Text] Port-au-Prince, 31 Oct—The development model Evans Paul, mayor of this capital, has in mind for his country has nothing to do with the neoliberal policies the financial institutions and even the U.S. Government usually favor: "No to uncompromising privatizations; absolute priority to assistance programs; a fiscal program that charges foreign investors fairly and leaves resources in the country; a relation of solidarity between countries of the Third World and South."

[Petrich] The first question is whether it is possible to have an independent model under the tremendous tutorship of the U.S. military occupation, or, on the contrary, would the most minor stray from U.S. plans for Haiti cause an immediate suspension of aid?

[Paul] "I am convinced it will always be possible to discuss with these people (the United States) with firmness and determination in a civilized manner what are our people's and our nation's vital needs and interests."

Jean-Bertrand Aristide won the Presidency in the 1990 elections with 67 percent of the votes, and Evans Paul conquered the capital's Mayor's Office with 88 percent of the votes.

[Paul] "We never really had the power, however. Being a majority we took asylum as a minority. We learned the lesson."

As a leader of the main left-of-center political force, the National Front for the Construction of Democracy, Evans never hid his criticism of the president.

[Petrich] With Aristide back in power, is he the same man who took office three years ago? Does he have the same intentions, the same program?

[Paul] Aristide's first problem is that he is a priest. His second problem is that he is a man who is not used to working inside a political party, a man who has never been part of an organization. His political outlook, therefore, is, most of all, of a personal nature, and most of his help comes from informal advisers. This point is why there are certain contradictions within his program. These contradictions are not only due to the coup d'etat and its international relations but also due to the lack of unity among his staff [preceding word in English].

"On the contrary, when one is a member of a party, one has a different way of seeing things, a habit of working as a team, to discuss, to plan. The president has allowed himself to be guided primarily by people of his own team, very competent people, but people without the political capability of fulfilling their responsibilities.

"Therefore, in my opinion, there are important changes in the Aristide plan. I am not too well informed on changes to the economic program. For example, many things were imposed by international financial organizations in the economics field.

[Petrich] For example?

[Paul] Much has now been said about privatization of state enterprises. I do not believe in uncompromising privatizations. I would favor a joint businesses program. The state should reserve resources and funds to develop its social policy and must collect resources and funds to be able to operate and to comply with its social obligations. Rather than privatizing these enterprises, one needs to eliminate corruption in order to make them efficient, to make their work more rational, and perhaps sell a few shares, but without the state totally ridding itself of them.

"Absolute priority should be given to humanitarian programs in such a poor country as this one."

[Petrich] Privatization is only one topic in a economic program. Another important topic is the policy of alliances. President Aristide has stressed the need for a concerted agreement with private initiative sectors. His commitment seemed to be more unconditionally on the side of the downtrodden during his first eight months in the Presidency. Is that so? In a country such as Haiti, what is rational, what is possible?

[Paul] What needs to be done is to seek a commitment that can guarantee everyone's interests. We have a serious domestic market problem, and we are bogged down, and it will not be easy to emerge from it.

"I believe we must start by removing politics. Beginning with a more civilized society, we must then create a domestic market, attract the most investments, attract tourism. To summarize, I do not believe any economic model can work if the country's structure does not change.

"The private sector here is reactionary, but it is true one of the first things we must do is to make it gain trust. I believe it will not do much for the Aristide government even if we took this action. Offering the private sector a climate of trust will depend more on international organizations than on the government itself.

People are the main protagonists, however, because the Haitian economy is based on the people's hard work. Small-scale businessmen, farmers, and craftsmen represent a complete work force that must be taken out of the informal economy system and incorporated in a more integral fashion into a new social class. This effort will be the engine of a new developmental process.

"We cannot separate the social and popular viewpoints from the beginning of a diplomatic working strategy aimed at making the powerful nations see the need to take into account this popular factor and include it in the model to be implemented in Haiti."

The developing countries' economic experience has proven these two points of view are not compatible; they are rather mutually exclusive. The international banking sector and Americans have not been the main supporters of the popular or populist government projects.

No one in the modern world is interested in reviving the populist models. We are trying to promote a dynamic economy that will involve and allow the participation and organization of all sectors, an economy that will not be concerned with promoting only the interests of people who are already rich.

Concerning what the United States or the large powers want to or could impose, when a country has a sound strategy and position, it can always accomplish some of its objectives, although it cannot always achieve everything it wants to. It can do it regardless of how powerful those other people are.

"The economic programs the Third World and Southern countries could implement will depend on the solidarity there is among them. I believe the Haitian situation is not unique. I believe in the solidarity of the South. Those friendly countries that have helped us and will continue helping us and will have to do it in a specific fashion, emphasizing social and humanitarian issues.

"I am convinced we can design an economic policy despite U.S. guidance based on our own interests, especially the interests of the masses. This is a poor country; we cannot promote an economic system where the interests of these poor people are not guaranteed. Those friends who want to help us will have to do it under this foundation.

"I understand the objective of this operation is to restore democracy and to bring Aristide back to power, but democracy is only one of the conditions that will allow the beginning of a socioeconomic program. This point is the ultimate objective. If we do not accomplish this objective, all the efforts we have made to achieve stability and democracy would not have been worthy. These objectives make sense if they move toward a process that will economically benefit the majority."

Legislators Propose Boycott if Proposition 187 Passes

PA0711233994 Mexico City NOTIMEX in Spanish 2143 GMT 7 Nov 94

[FBIS Translated Text] Mexico City, 7 Nov (NOTIMEX)—Mexican legislators today proposed a boycott of U.S. firms and products in Mexico if Proposition 187, backed by California Governor Pete Wilson, is approved on Tuesday.

Legislators of the Institutional Revolutionary Party (PRI), the National Action Party (PAN), and the Party of the Democratic Revolution (PRD) concurred in describing the initiative as "racist, discriminatory, and xenophobic."

PRI Legislator Javier Pineda proposed a boycott against U.S. products not only on the border area but at a national level, because "that would be the best way to show our absolute rejection of irresponsible actions such as this one."

PAN Legislator Patricia Garduno suggested that charges be presented at international organizations against this "racist measure," which will be voted on in California on Tuesday. If approved, it would leave undocumented people and their children without health and education services.

Marcos Rascon of the PRD demanded greater unity in rejecting Proposition 187 and proposed that the government establish emergency measures so Mexican states can absorb the citizens who could be expelled from the United States.

Helios Eguilus Adam, president of the Mexican Association of the Toy Industry [Asociacion Mexicana de la Industria del Juguete], said that Proposition 187 "must be resolved through diplomatic channels rather than economic ones." He said a boycott of U.S. toys and trips to Disneyland would stop the measure, which he described as anti-Mexican. [sentence as received]

Proposition 187 has prompted marches, meetings, and commercial blockades in the Mexican capital city and in the Mexican-U.S. border area.

This afternoon, several organizations will present a document in front of the U.S. Embassy in Mexico expressing their rejection of the California Government's attempt to negatively affect the human and labor rights of immigrant workers.

On Sunday, university students protested Proposition 187 in front of the diplomatic headquarters during a concert-meeting held simultaneously with similar protests by students in Los Angeles, Chicago, and New York.

At the border city of Tijuana, the "Operation Dignity" group announced on Sunday that they will continue to fight for full respect of human and labor laws of Mexicans in the United States, regardless of whether Proposition 187 is approved or rejected.

The demonstrators carried posters with slogans such as "Herod and Wilson are the same," and "Disneyland and Wilson do not love children," thus expressing their rejection of the initiative also known as "Save Our State."

Over the weekend, students in 500 schools in California, backed by the Chicano Aztlan Student Movement, held an assembly to protest Proposition 187.

U.S. students and Latin American and Mexican writers who are residents of that country have announced that they will join the demonstrations against Proposition 187.

A march that will go from the Angel de la Independencia Plaza to the Plaza de la Republica, stopping at the U.S. Embassy, is scheduled for Tuesday.

A report issued by the National Human Rights Commission (CNDH) of Mexico revealed that since 1991, there has been an increase in discriminatory and xenophobic manifestations against Mexican workers who attempt to cross into or live in the United States.

According to the report, aggressions against fellow citizens were prompted primarily by racial issues.

An increase in "accidents" involving migratory workers has also been observed since 1991. Such "accidents" include being hit by cars on California freeways and being shot with paint cartridges.

The report states that the migration of Mexican workers to the United States in the last century "has been one of the clearest areas both of cooperation and conflict between the countries."

Zapatist-Founded CND Refuses To Recognize Zedillo Victory

PA0811035094 Madrid EFE in Spanish 1751 GMT 7 Nov 94

[By Estefania Tirado]

[FBIS Translated Text] Tuxtla Gutierrez (Mexico), 7 Nov (EFE)—The Democratic National Convention [CND], a political forum created by the Zapatist guerrillas, has agreed to promote the establishment of a transition government and not to recognize the electoral victory of Ernesto Zedillo.

The agreement was adopted Sunday night following three days of sessions by 2,500 representatives who attended the convention meeting in Tuxtla Gutierrez, which is located in the southeastern state of Chiapas. The delegates described as "illegitimate" the election of

Zedillo, presidential candidate for the ruling Institutional Revolutionary Party (PRI) in the 21 August elections, and they agreed to hold demonstrations against his installation.

A similar threat was made by convention members days before the elections if it was proven that the elections were not honest, but, despite having reported the existence of "a great fraud," immediate response was minimal and scattered.

On this occasion, those who attended the meeting decided to implement, beginning on 20 November, "a civil resistance action plan" against Zedillo's scheduled 1 December inauguration.

"Because we believe Ernesto Zedillo is not the legitimate representative of Mexican society, the convention rejects him and pledges to fight him until a transition-to-democracy government is installed," one of the resolutions states.

The demonstrations also will be aimed at preventing the swearing-in of Eduardo Robledo as the new governor of Chiapas on 8 December. Robledo, a member of the PRI, was declared the winner in the 21 August elections, but the convention does not recognize his victory and says the winner was Amado Avendano, an independent candidate backed by the Party of the Democratic Revolution [PRD] who has the support of the Zapatist guerrillas.

The CND was created by the Zapatist National Liberation Army (EZLN) to find social solutions to its struggle and, according to observers, to become the future political wing of the EZLN guerrillas. The first CND meeting was held in early August in San Cristobal de las Casas (Chiapas) and in Aguascalientes Municipality in areas under the control of the EZLN guerrilla

In the latest meeting, which was attended by half of the delegates who attended the first one, the convention asked for the resumption of the dialogue between the guerrillas and the Mexican Government, which has been suspended since March of this year.

The delegates also demanded the nonpayment of the foreign debt and decided not to recognize the Congress elected in the 21 August elections. They decided to oppose NAFTA and to demand that all of the Mexican Army withdraw from five of the country's 31 states, including Chiapas, according to the CND delegates.

They described as "obsolete" the current 1917 Constitution, "because it does not respond to the interests and needs of the population but, rather, to the interests of the oligarchy, for which it has been modified hundreds of times since it was enacted."

The CND meeting took place amid great disorder, and, on a number of occasions, certain discussions nearly turned into brawls. Shouts and threats were heard several times because of the suspected infiltration of PRI members or "extremist groups" wanting to destabilize the meeting.

The presidency of the CND will now be known as the National Representation Council [Consejo Nacional de Representacion]. Four deputies of the PRD who participated in the assembly agreed to become "parliamentary convention members," as the EZLN had proposed. The final session held Sunday night lasted so long that the organizers had to suspend a scheduled march in downtown Tuxtla Gutierrez with which they had planned to close the assembly.

Former Gubernatorial Candidate Urges Palace Occupation

PA0711133594 Madrid EFE in Spanish 2306 GMT 6 Nov 94

[FBIS Translated Text] Tuxtla Gutierrez (Mexico), 6 Nov (EFE)—Amado Avendano, the former opposition candidate for governor of Chiapas State, called on the people of Chiapas on Sunday to occupy the government palace and install a democratic regime in that state, which borders with Guatemala.

Avendano, the former candidate for the Party of the Democratic Revolution [PRD] and other opposition parties, spoke to the participants at the National Democratic Convention (CND), which is meeting in Tuxtla Gutierrez, the capital city of Chiapas.

Avendano has just returned from a trip to Europe. He called for the people to occupy the government palace on 8 December, when Governor-elect Eduardo Robledo takes office, "so that it will be the civilian society who will govern this state."

The participants welcomed Avendano to the convention center in this city with applause. He affirmed "we will take democracy into our own hands, because the Mexican Government has left us no other choice," adding the Mexican people will show "those who have lost their way and are killing each other" which is the right path.

Regarding actions of civil disobedience, the former candidate said he would abide by the decisions the rank and file reach at the national and state democratic conventions. This organization represents the civilian population in his opinion.

Avendano affirmed that 1 January will go down in Mexican history and that it was necessary for the "faceless" members of the Zapatist National Liberation Army [EZLN] to come forth to draw the people's attention and make the federal government aware of the situation.

He lashed out at the government for, in his opinion, "not facing the people's violence, when it was the government that had plundered the numbers during the election" on 21 August, when candidate Robledo, of the Institutional Revolutionary Party (PRI), was declared the winner.

Avendano said during his tour of Europe he examined the autonomy agreements of Cataluna, Galicia, and the

Basque country, in which he found ways to grant autonomy to the Indian communities of Chiapas and Mexico.

Avendano, a journalist and the current leader of the civilian resistance movements following the election, said it is possible for nations to coexist within other nations.

He announced he is preparing a draft agreement for the deputies attending the national convention to submit a draft law at the legislature that will guarantee the Mexican Indians autonomy and the right to self-determination.

Federal Deputies Rosario Ibarra de Piedra, Antonio Hernandez Cruz, Carlota Botey, and Edgar Sanchez, who were elected to the legislative body with PRD support, said they are the CND parliamentary faction henceforth.

Representatives of the National Indian and Peasant Convention, which groups approximately 83 union and peasant organizations, spoke out in favor of a transition government, which could come from the CND itself.

Meanwhile, the members of the EZLN's legal advisory team, which was dismissed in a communique issued by Subcommander Marcos, said they had been barred due to a conspiracy within the CND, although they mentioned no one in particular.

Former Legal Adviser Benito Miron said they will ask Subcommander Marcos for a full explanation of why they were dismissed and request that the EZLN reinstate them as their legal advisers again.

The CND will conclude its work here today with a demonstration in the center of the city.

Zedillo on Plans To Promote Investment, Competitiveness

PA0611015694 Mexico City NOTIMEX in Spanish 0403 GMT 5 Nov 94

[FBIS Translated Text] Mexico City, 4 Nov (NOTIMEX)—President-elect Ernesto Zedillo Ponce de Leon announced today that his administration will encourage job training and reform the tax and legal systems to promote investment in a truly legal atmosphere.

The next administration's main goal will be to develop methods to encourage investment, savings, and productivity without returning to "protectionist" schemes of the past, Zedillo told businessmen in Mexico City.

Zedillo, who won the presidential elections in August and will assume the presidency on 1 December following a ruling on the elections, attended a meeting with state and municipal finance committees and business groups that supported his campaign.

The next administration will make reforming the justice system a priority, because "the state of our law leaves much to be desired," said the virtual president-elect, a 42-year-old economist.

Zedillo said he will call upon the country's leading political groups and Mexican society in general to establish judicial reforms so there are equitable laws and courts to enforce them, because "impunity will not be the rule."

"Mexico wants to be a country with laws, and Mexico will be a country with laws," he emphasized while commenting that the judicial reform will guarantee not only the personal safety of Mexican families but also their assets.

The winner of the presidential elections said the creation of an atmosphere that sponsors productive investment and employment is "an essential condition" for the full enforcement of the principle of legality and the state of the law.

Zedillo added: One of the next administration's first actions will be to forcefully launch with a well-planned and efficient strategy an "extraordinary program" to sponsor the training of the work force.

"A goal that is perhaps difficult to achieve but sensible in terms of the country's needs," is for at least 5 million Mexicans to be trained or retrained each year up to the year 2000 so they are more productive and have better salaries, he said.

Zedillo said that on 1 December the country will enter a new phase, and "we must all establish new purposes, goals, and strategies in accordance with the new circumstances."

The next government will create conditions to encourage, sponsor, and support investment without intervention, selectivity, or arbitrariness from the authorities so businessmen may meet their social goal of creating jobs, he stated.

"We cannot and should not return to the protectionist policies of the past; we must erase those instruments of alleged support from our economic vocabulary," he emphasized.

Zedillo also pledged to carry out an in-depth and extensive deregulation at the federal, state, and municipal levels to rid the economy of "unnecessary and sometimes absurd obstacles which preclude productive investment."

He also offered to strengthen development banks so they may use their instruments to attack the "critical aspects" of development, above all dealing with micro, small, and intermediate enterprises.

Zedillo proposed changes to the tax system so it encourages investors, businessmen, and all taxpayers to fulfill their obligations without exerting unnecessary pressure.

In sum, the fiscal burden must be lightened, not only with a revision of some specific issues dealing with tax rates, but also by reducing the burden of supporting a heavy bureaucracy which inhibits business initiatives, he stated.

Likewise, he added, we will strive to encourage technological modernization so the enterprises, particularly small and intermediate ones, may compete on international markets under advantageous conditions.

The commercial opportunities must not be seen as goals in and of themselves but as extraordinary instruments to make the Mexican economy competitive, to gain access to globalization and exports, and to create the jobs the country needs, he stated.

Zedillo indicated that the next government will establish an export policy with businessmen and that it will not let Mexican investors fall victim to unfair trade practices.

Zedillo Meets Businessmen, Discusses Governing Plan

PA0611034994 Mexico City XEW Television Network in Spanish 0430 GMT 5 Nov 94

[Passages within quotation marks recorded]

[FBIS Translated Text] Ernesto Zedillo, winner of Mexico's presidential elections, met today with businessmen in Mexico City and pledged to preserve strictness in public finance, consolidate price stability, and aid businessmen by revising taxes and the burdensome bureaucracy.

At a meeting of more than 1,000 businessmen presided over by Gilberto Borja, Zedillo announced his commitment in the formation of his administration.

[Zedillo] "I am committing myself to head a good government, a government of decent people, a government of honest people [applause], a government of people devoted to their responsibilities. At the same time, however, I want you people to commit yourselves to work patriotically."

Zedillo also said he will not tolerate impunity.

[Zedillo] "There will be no impunity. Anyone who strays from the law will be severely punished by that same law." [applause]

He also said that, unfortunately, criminal actions that undermine the state of law have proliferated in Mexico.

[Zedillo] "We must admit that, unfortunately, the legal security that the Mexican people demand does not exist. Our state of law leaves much to be desired."

He also announced that he will promote several law amendments.

[Zedillo] "One priority of the next government will be to promote legal and institutional reforms to make sure Mexico will certainly be a country of law."

He announced that there will be fiscal and credit incentives to keep up with technology and for job training and that he will not allow Mexican businessmen to be victimized by unfair foreign trade practices.

[Zedillo] "More than anyone else, Mexican businessmen know that we should not return to the policies of the past. We cannot afford to stumble on the same block again."

Oscar Espinosa Villarreal, Institutional Revolutionary Party [PRI] finance secretary, said that during the previous political campaign in which 405 PRI candidates participated, involvement by businessmen and society in general was unprecedented. Speaking for the businessmen, Gilberto Borja had this to say.

[Borja] "The time when businessmen remained silent and removed from politics has been left behind."

The meeting, called Society in Campaign, was attended by Nilda Patricia de Lasso de Zedillo, the winning candidate's wife, as well as by the PRI president and secretary general.

Zedillo Promises 'New Electoral Reform'

PA0711183794 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 7 Nov 94

[Report by Gerardo Segura in Guadalajara; from the "Early Morning" newscast]

[FBIS Translated Text] Ernesto Zedillo has promised to implement a new electoral reform that will result in greater democracy for all the country's political forces. Our colleague Gerardo Segura has the details from Guadalajara, Jalisco State:

[Begin Zedillo recording] For the sake of strengthening democracy and our political system, we PRI [Institutional Revolutionary Party] followers are prepared to begin, together with the remaining political parties, a general electoral reform, which addresses those aspects that are still a cause for dissatisfaction. [end recording]

[Segura] Ernesto Zedillo, winning candidate for the presidency of the Republic, again broached the subject of electoral reforms and the need for respectful dialogue between the various political forces.

[Begin Zedillo recording] As I stated during the campaign, we must analyze, in light of this recent experience, rules such as party financing, campaign expenses, and access to media. Likewise, we must work to attain full autonomy for the electoral organizations. [end recording]

[Segura] The political parties should not encourage nor be victims of violence, Ernesto Zedillo said.

[Begin Zedillo recording] Today, we PRI followers, offer our political participation by fully recognizing the presence and strength of other parties. We know that their vitality is essential for the country's democratic life. [end recording]

[Segura] Nevertheless, Zedillo added, the PRI exists in democracy; the challenge is great, we need to set an example.

[Begin Zedillo recording] That is why right now we are reviewing our agenda for internal reforms to our party, which will be debated by its members and their organizations during the first quarter of 1995, who will arrive at a consensus proposal during a great assembly. [end recording]

[Segura] Ernesto Zedillo attended the swearing-in ceremony in Guadalajara of Eugenio Ruiz Orozco, PRI candidate to the Jalisco Government. There he said that he will openly comply with the pledge not to interfere in the process of internal selection of PRI candidates.

Editorial Assesses Salinas' State of Nation Address

PA0411163694 Mexico City LA JORNADA in Spanish 2 Nov 94 pp 1, 2

[Editorial: "Report at the End of the Six-Year Period"]

[FBIS Translated Text] In an effort to inform the people about how he himself evaluates his administration of the past six years, President Carlos Salinas de Gortari delivered his sixth and final State of the Nation Address yesterday amid an atmosphere in which the opposition's dissidence manifested itself with unprecedented intensity.

In his speech, President Salinas catalogued what were, in his opinion, his successes and failures as head of the executive branch. He stressed the overall adherence to the macroeconomic program he established at the beginning of his administration, which in general was fulfilled according to government projections.

Mexico's entrance into the international economic system, the diversification of our economy, and the consolidation of Mexico's presence in the international arena are undeniable achievements, all of which Salinas included in the report he presented to the people.

However, if these achievements are unquestionable, we can debate their adverse effects—the social costs he insisted on incurring—which were not included in the report, even though he did admit that the costs were high.

Considering that the emphasis of yesterday's presidential message was to list the government's economic accomplishments, it is worth noting that the government fulfilled its objectives in the area of economics. In terms of social matters, however, the accomplishments of the government programs implemented over the six-year period that is about to end are incomplete and clearly insufficient.

Political issues undoubtedly were the part of the sixth State of the Nation Address that elicited the most vociferous and harshest criticism from a large portion of the new legislature. The progress experienced as a result of new electoral laws and measures aimed at increasing the number of democratic opportunities in Mexico were vehemently questioned by sectors outside the PRI [Institutional Revolutionary Party]—opposition sectors that believe the reforms made during the six-year presidential term were as deficient as the 21 August elections that, on the other hand, were repeatedly lauded by the president of the republic.

The truth of the matter is that, one month before the end of the current six-year term, one of the goals touted by the current administration—namely, the curbing of the president's excessive power to create a more open and pluralistic governmental structure—is far from having been achieved. In fact, one cannot find any discernible diminishment in the power the president has exerted for decades, and this fact stands out despite repeated claims by the government's main cast of characters who have constantly stressed their desire to modernize the system.

The Chiapas conflict, one of the issues with which Carlos Salinas opened his address, was not accurately explained by the chief of the executive branch, who refused to refer to the EZLN [Zapatist National Liberation Army] by name, instead calling it "an armed group trained by local and foreign leaders determined to follow a political path clearly different from the institutional path." The president of the republic, nevertheless, recognized the existence of tensions triggered by "years, and perhaps centuries, of neglecting, offending, and mistreating the Indians."

Freedom of speech in Mexico also is an issue worth mentioning, although it was not given more than 10 lines in the speech read by Salinas. Regardless of one's opinion on the issue, the truth is that the government did not pressure the media (at least it was not reported) to take sides on issues essential for the nation. Those who disseminated biased information to the public did so out of their own convictions or because it furthered their own interests.

One detail that cannot be overlooked is the tense legislative atmosphere in which the address was presented. Repeated criticism was voiced, especially by members of the PRD [Party of the Democratic Revolution]. The reticence of the PAN [National Action Party] deputies on the president's six-year report set the tone for differences the new Congress must muddle through if it indeed wants to function and operate in line with its role.

The extent and complexity of Salinas' final report undoubtedly deserves a more thorough and profound analysis than the one we are presenting here. We hope that the legislature, which yesterday praised Salinas unconditionally or reproached him critically, can within the next few days conduct in an objective, analytical, just, and judicious evaluation of the address.

Salinas Assesses Term in Office, WTO Candidacy

MS0711120194 London FINANCIAL TIMES in English 7 Nov 94 p 3

[Report on interview with President Carlos Salinas by Damian Fraser in Los Pinos; date not given]

[FBIS Transcribed Text] With less than a month to go before his six-year term as Mexico's president finishes, Carlos Salinas says he only has two regrets: that he failed to reform the country's judicial system and to overhaul its near-bankrupt social security institute.

"I did not have time to carry these reforms out," he said in an interview in Los Pinos, the presidential home. The difficult economic situation, partly a result of the delay in passage of the North American Free Trade Agreement, postponed reform of the social security institute, he said.

The murder last year of the Roman Catholic Cardinal of Guadalajara and the subsequent presidential election campaign, it is understood, put off planned changes to Mexico's notoriously corrupt and inefficient judicial system.

These regrets aside, Mr Salinas asserts that he would not have done anything differently. He defends his pro-market economic policies as having laid the groundwork for sustainable growth, and for beginning to reduce Mexico's sharp inequalities in income. He argues that the rhythm of political reform was determined by the need to achieve consensus across the political parties and avoid instability, but the August presidential election was "a victory for democracy."

One of the three declared candidates to head the incipient World Trade Organisation [WTO], Mr Salinas has the backing of the US, Canada, and all of Latin America. However, he is reported to have less support than Mr Renato Ruggiero, the European Union candidate, who has been campaigning more actively than the Mexican president.

Mr Salinas says that before a decision is taken on the leadership of the WTO post, more countries should approve the Uruguay Round deal of trade reforms. "The key question is when will the US Congress ratify the Uruguay Round," he says, with the answer in his view depending on the outcome of the US mid-term elections tomorrow. Anything that puts in doubt the Uruguay Round would "open the door to commercial wars, which would be the worse scenario for the end of the 20th century."

Mr Salinas is keeping a careful watch on the US elections for another reason: US-Mexican relations are expected to come under strain if the state of California approves Proposition 187, which would deny illegal immigrants non-emergency public services. Mr Salinas reiterated his attack on the proposition, saying it wrongly blamed migratory workers for California's own internal problems, and was "xenophobic." Mexico's Foreign Ministry is preparing a series of responses in case the referendum is passed, he says.

Discussing his own legacy, Mr Salinas says economic reform was already well advanced when he took office, which enabled him to move rapidly in this area from the moment he was elected president.

Thus his first years in office were characterised by the debt reduction agreement, sweeping privatisations, economic deregulation, and the decision to negotiate a free trade agreement with the US and Canada.

By contrast, he implies, Mexico's political system had been touched less by reform when he took over. "Generally in Mexico the electoral structure was arranged, let us say, to guarantee a victory of the PRI," he says. "It would have been very tense" if he had sought to dismantle the old political system faster. What was important was that he "succeeded in introducing political reforms in favour of democracy and pluralism without causing a rupture."

Mr Salinas accepts that electoral and political reform needs to go further. He supports making the electoral institute totally independent of the government. It would "not be a bad idea" if the opposition was given control of congressional committees that oversee government spending. He claims, in an argument that would not convince members of the opposition, that there has not previously been a consensus on such reforms.

Commenting on the judiciary and social security problems he failed to tackle, Mr Salinas says it gives him "great pleasure" that Mr Ernesto Zedillo, his handpicked successor, has pledged to address these issues.

Mr Salinas says social security reform will need to address shortage of funds (the so-called actuary deficit) and separation of the accounts of those enrolled in the institute. Mr Zedillo has sketched his approach to judicial reform, which among other changes, would establish a civil service for judges to encourage professionalism and greater integrity.

While publicly unwilling to admit as much, Mr Salinas is also almost certain to hand over to Mr Zedillo the problem of how to disarm and integrate into society the Zapatista rebels in the state of Chiapas.

Mr Salinas promises he will look for a negotiated settlement in Chiapas until the day he leaves office. But with Zapatistas showing no interest in talks with the Salinas government, the chances of success are negligible.

Roundup of Economic Developments

PA0711030194

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 6 November.

According to a six-year balance of Mexico's foreign investment policy prepared by Jaime Serra Puche, commerce and industrial development secretary, there are currently 8,420 foreign investment companies registered in the country. These companies reported $50.926 billion in revenues and $13.120 billion in expenses between 1989 and 1993. The companies are primarily in the automobile, food, beverage, chemical, medicine, machinery, and electronic equipment industries. According to the report, 50 percent of the companies' profits have been reinvested. It adds that trade by these companies increased from $19.630 billion in 1990 to $33.616 billion in 1993 with an annual growth rate of 19.4 percent, and foreign sales rose from $7.940 billion to $13.073 billion. (Mexico City EL FINANCIERO in Spanish 1 Nov 94 p 4)

According to the Sixth Annual Financial Report issued by the Commerce and Industrial Development Secretariat, Secofi, foreign investment over the last six years equaled $21.85 billion, which is 5.6 times greater than the previous six-year period. New investments contributed the most to the nation's income statement, increasing from $215 million in 1989 to $4.9 billion in 1993. In terms of related expenditures such as interest payments, royalties, and the like, Secofi reports a 35.5-percent increase. It notes, however, that growth in income doubled that figure, reaching 65.4 percent. In a related issue, although not included in the report's figures, Secofi points out that stocks and bonds brought in $27.816 billion during this same period, a record $10.716 of which are from 1993 alone. (Mexico City EL FINANCIERO in Spanish 3 Nov 94 p 5A)

According to information released by the Bank of Mexico and the Secretariat of Finance and Public Credit, the government has issued 273.2 billion new pesos in bonds as of September 1994. The Bank of Mexico has purchased over 52 percent of such bonds, while foreign investors hold one-third, and local investors hold 11 percent. Foreign investors hold over 91 billion new pesos in government bonds. The bonds offer protection from currency exchange fluctuations, which affect cash treasury deposits backing investments. Their yield is at least double that of U.S. bonds. (Mexico City EL FINANCIERO in Spanish 3 Nov 94 p 3A)

Joint Canadian-Mexican investments in various areas of the national economy have exceeded the $1.4-billion mark. The most important investments include three real estate projects by the Reichmann-Soros Company in Mexico City, with an initial investment of $1 billion, and a tourism center in Oaxaca, for which $100 million have been appropriated. Trade between Mexico and Canada has increased considerably as a result of NAFTA. Approximately $250 million will be invested in the Merida electricity project, between $50 million and $70 million in a lumber project, and $200,000 in the financial sector. Canadian businessmen intend to invest $500,000 in the construction of a plastic bag plant. Other plans include a $1.5-million investment in the textile sector, $4 million in the pharmacology sector, and $750 million in a plant to manufacture forklift wheels. (Mexico City EL FINANCIERO in Spanish 3 Nov 94 p 10)

The Domos International Group, chaired by Monterrey businessman Javier Garza Calderon, will invest approximately $1.5 billion in Cuba to modernize its telephone service. The investment will create approximately 12,000 jobs. The group will work closely with the Cuban Telecommunications Enterprise, the most important private telephone company in Cuba. Garza reported that his group was granted a 55-year concession with 12-year exclusivity and stated that all tariffs will be specified in dollars. The Group will own 49 percent of the company. The concession also includes television broadcasts. The telephone system will use fiber-optic cable as well as microwave and satellite technology. (Monterrey EL NORTE (Out-of- State Edition) in Spanish 31 Oct 94 p 24A)

Professors from the National University of Mexico and the Ibero-American University analyzed Mexico's trade with the European Union (EU) in recent years and announced it is now the country's second largest trading partner, following the United States. The analysis showed that the EU receives approximately 12 percent of Mexico's exports and sends approximately 15 percent of its exports to Mexico. The EU has also become Mexico's second greatest source for foreign investment, with $4.819 billion invested between 1989 and 1994. The largest investments were by England, the Netherlands, Germany, and France. (Mexico City EL FINANCIERO in Spanish 31 Oct 94 p 22)

Mexican Petroleum (Pemex) has reported the payment of 27.191 billion new pesos in direct and indirect taxes in the course of its operations during the first half of 1994. This figure exceeds the amount paid during the same period in 1993 by 607 million new pesos. According to Pemex, 13.342 billion new pesos were paid to cover hydrocarbon extraction rights, additional taxes for overseas sales, and import taxes. The organization also paid 11.055 billion new pesos in Special Production and Services Tax (Impuesto Especial sobre Produccion y Servicios, IEPS). Pemex also paid the Finance and Public Credit Secretariat 2.749 billion new pesos in value-added tax. (Mexico City EL FINANCIERO in Spanish 31 Oct 94 p 8)

Honduran Delegation Arrives To Study Privatization

PA0511223694 Mexico City LA JORNADA in Spanish 4 Nov 94 p 51

[Report by Roberto Gonzalez Amador]

[FBIS Translated Text] With the implementation of NAFTA, Central American countries have lost approximately $500 million in U.S. investments channeled to Mexico, Jorge Arturo Reina, Honduran National Congress vice president, reported yesterday.

The investments lost to the Central American isthmus countries in the 10 months NAFTA has been in effect represent 13 percent of the capital the United States previously sent to the region, he said.

Reina held a news conference and commented that the reassignment of capital to Mexico is cause for "considerable concern" among the Central American governments and added that it is essential to create bilateral and multilateral commercial agreements to balance investments.

He said: The Honduran Government is quite willing to reach a commercial agreement with Mexico, El Salvador, and Nicaragua "this year." If implemented, the agreement would represent a potential market of 35 million consumers.

A Honduran delegation made up of Reina, Adolfo Facusse, president of the Honduran Council of Private Enterprise, Mario Aguero, secretary of the National Commission for the Privatization of Honduras, and Francisco Guerrero, secretary general of the Confederation of Honduran Workers, is currently visiting Mexico to exchange views with local authorities, businessmen, and labor leaders on the privatization process for public enterprises and on economic consultation among various producers. Public and private functionaries have said that Mexico's model for privatization is being carefully observed in this country. The current tendency is to privatize public enterprises, opening them to participation by domestic and foreign private capital to fill "the investment gaps" the government cannot guarantee.

The delegation said that the decision to privatize the Honduran telephone system has practically been made, so during their visit to Mexico they spoke with Telmex [Mexican Telephone Co.] owners and Francisco Hernandez Juarez, head of the Trade Union of Telephone Operators of the Mexican Republic, to exchange views and experiences on the sale of that Mexican enterprise to private citizens.

The delegation added, however, that the Central American states must modernize and democratize themselves in a process that guarantees the competitiveness of their government enterprises and structures.

They noted that serious conflicts may arise if no provisions are made to cover the social costs of creating opportunities for foreign capital, although they think the tendency toward privatization "is unavoidable."

The Honduran delegation has met with officials at the Labor, Finance, and Commerce Secretariats, as well as with leaders of labor groups and of the private sector, about which the Central Americans have shown an interest in learning how their economic agreements function so they may implement similar consultation plans in their country.

El Salvador

Deputy Foreign Minister Views Proposition 187

PA0811045694 San Salvador Canal Doce Television in Spanish 0100 GMT 8 Nov 94

[Report by Mario Jovel; from the "Up-to-Date" newscast]

[FBIS Translated Text] The Salvadoran deputy foreign minister has said the government is preparing to help Salvadorans who could be affected if California Governor Pete Wilson's Proposition 187 passes, or if their temporary permission to remain in the United States is not extended.

The concern of Salvadorans illegally residing in the United States has grown because of Wilson's Proposition 187 because it would ban social and educational services for illegal immigrants. Also, there is great concern because the temporary status of 184,000 Salvadorans protected under current U.S. laws will expire in December. For this reason, President Calderon Sol's administration has requested another extension of their status. Here is the deputy foreign minister:

[Begin unidentified deputy foreign minister recording] The Salvadoran Government is very optimistic about receiving a favorable reply to the efforts made by our government and by Latin American organizations in the United States requesting an extension of their status. [end recording]

The uncertainty of the illegal immigrants will reach its high point on Tuesday during the elections for senators and governor in the state of California, because if Pete Wilson is reelected, Proposition 187 might also be approved. The Salvadoran Government, however, hopes California citizens will weigh the effects and, following President Clinton's lead, reject the initiative. In any event, according to the deputy foreign minister, the Salvadoran Government is getting ready to face any problems that may affect our compatriots.

[Begin deputy foreign minister recording] We could implement various plans to facilitate the voluntary return of those who wish to come back. We could also establish plans to help our compatriots when they arrive here. [end recording]

On Monday, 8 November, the deputy foreign minister swore in the members of the Juridical Commission who will meet their Honduran counterparts in San Salvador on 9 November to find solutions for the nationality and land property problems of inhabitants of those border areas that previously had not been demarcated. The commission is headed by former Foreign Minister Ricardo Acevedo Peralta, a Christian Democrat; Vicente Machado; and Abel Salazar; among others.

High Court Requests Extension for Illegal Aliens

PA0811041494 San Salvador Canal Doce Television in Spanish 0100 GMT 8 Nov 94

[Report by William Melendez; from the "Up to Date" Newscast]

[FBIS Translated Text] Illegal immigrants living in the state of California are threatened by Proposition 187, which was presented by Governor Pete Wilson in an effort to exclude the children of illegal compatriots from receiving public services, including health and educational services. This case is a matter of concern for various segments of the population. The Supreme Court of Justice has requested an extension of the illegal immigrants' stay.

[Begin unidentified speaker recording] It is a matter of justice to handle their situation in that country in a favorable manner and that their stay there be extended. [end recording]

The FMLN [Farabundo Marti National Liberation Front] believes that [words indistinct] for our compatriots is the least the United States can do, especially in light of the fact that El Salvador is experiencing a transition period. They said Wilson's proposition is a clear expression of racism:

[Begin second unidentified speaker recording] We categorically reject this action. We think it runs counter to the humanism that is trying to take root throughout the world and violates the rights of these people. [end recording]

Some analysts believe Proposition 187 is an attempt to recover opportunities lost by the U.S. population. Based on this premise, it is believed that illegal Hispanic immigrants are depriving hundreds of thousands of U.S. citizens of health and educational services.

[Begin third unidentified speaker recording] The other argument is very real and clear: There Salvadorans and Hispanics are doing many jobs—jobs U.S. citizens do not want—and they are doing them for low wages. [end recording]

To a great extent, the approval of Proposition 187 hinges on the reelection of Pete Wilson as governor of California. This (?proposition) could hurt more than 500,000 compatriots residing in that state and whose status is still illegal.

Minister Notes Decrease in Tensions on Honduras Border

PA0611163194 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 5 Nov 94

[Report by Angel Iraheta; from the "KL Radio News" newscast]

[FBIS Translated Text] Salvadoran Defense Minister General Humberto Corado Figueroa has said tensions at the border between El Salvador and Honduras have decreased significantly. The military officer has said this observation is due to the talks held by the two governments. He has said, however, Honduras is concerned about the activities being carried out by gangs of criminals, apparently Salvadorans:

[Begin Corado recording] The situation has improved substantially. I believe the uncertainty that has existed in recent months has disappeared after the conversations we have held with the Honduran authorities at all levels. Our presence in the area has reinstated the calm among the civilian population. We have not heard of any types of accusations from them. We know Honduras is concerned, because armed groups have been moving into their areas, inflicting a certain damage to the civilian population. This point has logically led the Honduran Army to establish some form of protection in its areas. [end recording]

On the plan to protect the coffee harvest, the military officer has said it is moving along the right track. He has said the institution is willing to provide farmers in other areas, such as those in the sugarcane fields, protection if they need it:

[Begin Corado recording] We know the sugarcane farmers have expressed their concerns. They want their harvests protected. We have not had any meetings with them yet, but, if you allow me, I would ask them to come to the Joint Chiefs of Staff to coordinate actions and share information so that we can draft a plan allowing us to provide protection to the sugarcane fields. [end recording]

The official made the statement minutes before participating in events commemorating the first cry of independence of our country.

Guatemala

Transportation Protest Turns Violent in Capital

PA0811040294 Hamburg DPA in Spanish 0217 GMT 8 Nov 94

[FBIS Translated Text] Guatemala City, 7 Nov (DPA)—Gangs of young hoodlums seized the downtown area of the Guatemalan capital on the evening of 7 November and destroyed everything in their path to protest an increase in urban bus fares.

A public demonstration to protest an increase in transportation fares was called for the afternoon of 7 November by labor, student, and popular organizations, but young hoodlums infiltrated the march, and the labor and student leaders could not control the disturbances.

Approximately 500 young people, some wearing hoods and armed with sticks, stones, and other objects, walked through the streets of downtown Guatemala City, smashing the windows of stores and cars along their route. They furiously shouted slogans against the government, transportation businessmen, and the Guatemala City Mayoralty, which is responsible for regulating urban transportation.

"The people can no longer live with so many increases," they shouted. "There have been excessive increases in the prices of electricity, water, food, and now transportation," they added.

They walked by the police headquarters and tried to paint slogans on its walls, then turned to 6th Avenue, the capital's main business thoroughfare, where new groups joined them on their way to the government palace.

Policemen and soldiers cordoned off the palace, and in view of the aggression displayed by the youths, threw tear gas to break up the demonstration.

The mob retreated and headed for other sectors of the city to continue their destruction, while student and labor leaders said over Guatemalan radio stations that they were not responsible for the incidents. They accused the government and the mayoralty of infiltrating the march to discredit the protest that was supposed to be peaceful.

It was reported that some bombs, possibly homemade, exploded in certain areas of the capital.

Meanwhile, the transportation strike will reach the one week mark on 8 November, but no satisfactory solution is in sight. The fare was increased to the equivalent of 17 cents (from 11 cents) for regular buses, and to the equivalent of 22 cents (from 16 cents) for special buses.

Given that the privatization of transportation has failed, the mayoralty announced that in the few next days it will implement a municipal transportation system with 150 buses and will charge the old price of 11 cents.

It is believed, however, that this measure will be insufficient, because some 3,000 buses and mini-buses, which circulate without fixed routes, are needed to meet the transportation demand of Guatemala City, which has more than 2 million inhabitants.

Honduras

Cultural, Education Accord Signed With Russia

PA0611193594 Hamburg DPA in Spanish 1709 GMT 6 Nov 94

[FBIS Translated Text] Tegucigalpa, 5 Nov (DPA)—The governments of Honduras and Russia signed a cultural and education agreement today, the first since the two countries established diplomatic relations early in the decade.

The agreement stipulates the short-term cultural and educational cooperation the Russian Government will provide for Honduras. No further details of the agreement were given, however.

Yevgeniy Astakhov, the Russian ambassador to Central America, said the cooperation agreement "is the first step in a cooperation that will continue to increase."

In addition, Honduran Foreign Minister Ernesto Paz said that signing such an agreement would have been impossible several years ago but that "it was possible today, because Honduras has set its historic clock in time with the clocks that lead the world."

The Honduran foreign minister and the Russian ambassador signed the agreement.

Economy Minister Cited on Rise in Prices

PA0711201094 Tegucigalpa LA TRIBUNA in Spanish 7 Nov 94 p 6

[FBIS Translated Text] According to Economy and Commerce Minister Delmer Urbizo Panting, the people are not jumping with joy because prices were hiked. The whole problem, in his opinion, lies, however, in Honduras not producing oil.

Panting added the elimination of the customs compensation factor has fostered the rise in prices, saying the government no longer has the capability to continue subsidizing oil byproducts.

He added that the government will continue subsidizing the transportation sector and that prices will vary according to the internal and external costs of the products.

"We set the prices according to the true costs. We have been auditing all the companies, because there are claims from users that the prices being charged are not correct," he has said.

He has said "the economy minister will not act irresponsibly and make the companies lose money just because we fell like fixing a price. What is important is that there be no speculation with the prices."

The official has forecast prices will be altered, because the price of oil supplies has increased, and the changes suffered by currency since the beginning of the year have translated into a hike in prices.

Promising Future

Honduras can expect a promising future from now on and after the adjustments according to Panting, because it will sign a letter of intent with the International Monetary Fund.

"By securing the flow of foreign resources and coffee, this move will allow us to stabilize the currency," he has said. He has argued resources will be released for the private sector should the fiscal deficit continue to be reduced to the achieved levels.

He has said in addition that there will be additional resources available when the levels of bank reserves are reduced and that this factor will be the beginning of the nation's development and of a healthy economy.

He has announced he will present a reform to the Consumers' Law by the first week of December to protect consumers' interests and to give it the legal strength it requires.

Defense Minister: Army Smallest in Central America

PA0611193394 Panama City ACAN in Spanish 1426 GMT 6 Nov 94

[By German Reyes]

[FBIS Translated Text] Tegucigalpa, 6 Nov (ACAN-EFE)—Honduras, with 15,000 troops, has the smallest Army in Central America, according to Division General Luis Alonso Discua Elvir, chief of the Honduran Armed Forces.

The military chief has said in statements for ACAN-EFE there are no more than 15,000 troops in the Honduran Armed Forces, including the Army, Air Force, and Navy.

This figure does not include the approximately 5,000 members of the Public Security Force (police), which is dependent on the Armed Forces.

Discua Elvir has said that the Armed Forces have also begun reorganizing their entire staff with the structural changes of the 1990's and that the institution's budget has been reduced by 65 percent. He added the military budget for the current year is $27 million, plus $500,000 provided by the United States.

Current U.S. military aid to Honduras contrasts with the aid that country provided during the 1980's, which amounted to approximately $500 million throughout the decade.

The military budget represents 0.6 percent of the government budget, which, in Discua Elvir's opinion is, "not enough for the many tasks entrusted to the Armed Forces."

"The military budget is as much as 2.8 percent of the gross national product in other Central American countries," said Discua Elvir, who has served in the military for 27 years and is the only five-star general on active duty.

He added it "is false" the Armed Forces have a budget of $81 million, as was reported in October by an executive of a private U.S. firm who examines the military affairs of several countries in America and Africa.

He mentioned as an example of Army cutbacks the dismantling of one artillery brigade, one artillery battalion, one antiaircraft artillery battalion, one territorial defense battalion, and one armored cavalry regiment.

Discua Elvir maintains that the Honduran Army is at a "disadvantage" with its neighboring countries, which only share borders with two nations, while Honduras has borders with Guatemala, El Salvador, and Nicaragua.

Honduras has no problems with its neighbors at present; nevertheless, Discua Elvir is "concerned" the maritime border has not been outlined in the Gulf of Fonseca, the Pacific, and the Caribbean.

The military chief has said his country does not have a defined maritime border on parallel 15 in the Caribbean, where Honduras, Nicaragua, and Colombia are disputing certain cays, and the situation with Guatemala is similar in the Gulf of Honduras.

Human rights organizations have linked Discua Elvir to the forced disappearance of people during the 1980's, accusations to which the officer again responded, that "is false."

Approximately 183 nationals and foreigners disappeared in this Central American country between 1979 and 1990, and their whereabouts are unknown.

The Honduran Armed Forces have also been criticized for their participation in the business world through the Military Planning Institute (IPM), which, according to Discua Elvir, is a right the Army has earned and does not constitute unfair competition for the private sector, which questions the Army's role as an investor.

Another source of concern for Discua Elvir is the mines along the Nicaraguan border, a region that was seeded with explosive devices during the war between the "contras" and Sandinistas during the 1980's.

The officer has said the departments of Choluteca, El Paraiso, and Gracias a Dios and, to a lesser extent, Olancho Department, all of which border Nicaragua, are high risk areas, because "the mines were planted haphazardly.

He has said Honduran troops are being trained with the aid of experts from the OAS Inter-American Defense Board to clear the border of mines.

Concerning the Salvadoran border, he has said it has already been cleared of mines.

Armed Forces Chief: Budget Reduction No Solution

PA0711195594 San Pedro Sula TIEMPO in Spanish 5 Nov 94 p 10

[FBIS Translated Text] Tegucigalpa—General Luis Alonso Discua Elvir, Armed Forces commander in chief, said yesterday a reduction in the Armed Forces budget to reinvest resources in problems of the social sector is no solution to underdeveloped countries.

"I do not believe social investment programs will increase if the Armed Forces budget is reduced. If this were the case, all countries would have resolved their problems," he said.

Discua Elvir arrived at the Presidential Palace to meet with President Carlos Roberto Reina during "a courtesy visit by a subordinate to a superior."

It was unofficially reported the Armed Forces chief went to the Presidential Palace to verify the signing by President Reina of the decree initiating the lottery recruitment system in mid-November.

Discua also said in an interview, in which he seemed sparing of words compared to his very receptive and kind manner toward journalists as of late, he does not know when he will meet with the National Security Council. He gave assurances, however, the senior hierarchy of the Armed Forces will attend when the president calls.

Presidential designate Walter Lopez Reyes announced on 2 November the Security Council will meet "very soon," for the first time in the Reina administration, to begin discussing a reduction of the military apparatus.

Nicaragua

Ramirez Group Said To Give Concessions to Right Wing

PA0811014794 Managua BARRICADA in Spanish 7 Nov 94 pp 1, 4

[Article by William Grigsby Vado; words in italics as published]

[FBIS Translated Text] The Ramirez Group made at least seven [as received] vital concessions to right-wing groups—from the government to the liberals—in their frantic efforts to guarantee at any cost the votes they need to approve any kind of constitutional reform.

The concessions that were freely granted, for which the authors will have to account to the Sandinists and the rest of the people, are, among others:

1. Take away part of the budget assigned to universities by allowing 6 percent to be delivered to the government without including special revenues.
2. At the same time, annul the decision made by the Legislative Assembly in August 1992, when a true interpretation of the law was made at the end of an intense struggle by the university community.
3. Legalize the government decision to charge for high school education, thereby complying with the IMF's plans.
4. Assume a commitment to support the proposal that Nicaraguans in "exile" can vote with the clear intention of favoring the liberal's interests whose supporters include Somozists who live in Miami.
5. Establish the obligatory appointment of a defense minister, certainly not guaranteeing the Amy's subordination to the civil authority, as is already set out in the already approved *Military Code*, with the intention to initiate the dismantling of the EPS.

6. Approve the designation of the vice president to chair the Council of Ministers. This means that as soon as the reforms are definitely approved, Virgilio Godoy will have the greatest amount of power possible.
7. Also, approve the repeal of a law enacted by the very Legislative Assembly—with the favorable vote of the Ramirez Group—whereby Godoy could become president of the Republic during any absence of Mrs. Chamorro.
8. Establish run-offs for the presidential elections with the clear goal of hampering a Sandinist National Liberation Front [FSLN] victory. In a run-off election, the right wing would unite in an attempt to defeat the FSLN's candidate.
9. Take away part of the democratic spirit of the *Municipal Law* whereby the mayor is elected directly. This will place it above the municipal government, which is one of the best forums that the citizens have to influence decisionmaking.
10. As a spoil of war, Ramirez grants two seats on UNO's [Opposition National Union] Board of Directors to Jaime Bonilla and Luis Sanchez. [sentence as published]

And, as a bonus, UNO will assume control of the Supreme Court of Justice and the Supreme Electoral Council. Meanwhile, it dissolves the Council of Political Parties to enable UNO justices to hand down decisions as they wish.

The new Espino Negro Pact will have an appropriate finale: He informed Antonio Lacayo that the matter of the bans or the option of President Chamorro being reelected, the confiscation of goods from those who benefited from Laws 85, 86, and 87, and the workers' companies or the sale of TELCOR [Nicaraguan Telecommunications and Postal Service Institute] "are matters that can be resolved by talking things over."

FSLN Denies Part in Ramirez Group-UNO Pact

PA0811014894 Managua BARRICADA in Spanish 7 Nov 94 pp 1, 8

[FBIS Translated Text] The Sandinist National Liberation Front [FSLN] yesterday denied any participation in the revival of an Espino Negro Pact between the Ramirez Group and UNO [National Opposition Union].

FSLN Secretary General Daniel Ortega described as "hasty" a decision a parliamentary committee made. The decision does not contribute to the establishment of stability and peace or help resolve the country's political crisis, Ortega added.

He pointed out that the decision adversely affects the overall population, as well as secondary and university students, because it calls for mandatory tuition for secondary students and a 6 percent reduction in the overall budget for universities.

Concerning the threat to bring National Assembly bylaws to bear on him for being absent from parliament, Ortega said this threat is nothing more than vindictiveness rooted in the fact that he was chosen to occupy a seat by mandate of the Sandinist Assembly. Moreover, he said this would be illegal because the by-laws allow for 21 days of absence, and I am far from reaching that amount, the Sandinist leader added.

Meanwhile, Fabian Ruiz, student leader at the School of Education, said that if these decisions, which were made behind the backs of students, really do materialize, university budgets would be reduced by about 20 million cordobas.

UNAN [National Autonomous University of Nicaragua] in Dire Poverty

Ruiz added that it will be impossible to handle the influx of students, and, as an example, he pointed out that with the announced budget cuts, UNAN Law School itself, which has so far received 1,107 applications, will only be able to admit 100 students.

Sandinist Deputy Damaso Vargas said the Ramirez Group-UNO plans to eliminate the direct participation of the people in public matters through Constitution reform.

He added that they will also try to eliminate workers' participation in businesses. FSLN deputies argued that health and education workers should participate in the drafting of national policies in their respective areas, but they rejected this request, Vargas noted.

BARRICADA Editor, Salvadoran Reporter Resign

PA0411172294 Managua BARRICADA in Spanish 3 Nov 94 pp 1, 17

[Report by Jorge Katin]

[FBIS Translated Excerpt] Two new resignations that represent significant losses for BARRICADA were tendered yesterday by editor Daniel Flakoll Alegria and Pablo Cerna, the newspaper's correspondent in El Salvador.

Floakoll Alegria said, "The reasons are quite simple: The Democratic Left is in need of a propaganda mouthpiece for the upcoming elections, and BARRICADA is currently not fulfilling this role.... Now, the newspaper owners would like to retrace their steps. That is all right. They can do this, and they have the right to do so. What I do not agree with, however, is all of the subterfuge and duplicity."

Meanwhile, Pablo Cerna, the founder of GENTE magazine, says in his resignation letter that "because of recent events that mark a new path for the newspaper, which is exactly contrary to the direction any honest journalist committed to his profession and his readiers would aspire, I am forced to present my formal resignation as BARRICADA correspondent in El Salvador." [passage omitted]

Subtiava Backs Sandinist Renewal Movement

PA0811014694 Managua EL NUEVO DIARIO in Spanish 6 Nov 94 p 8

[Report by Edgar Barberena]

[FBIS Translated Text] Subtiava—Subtiava community leaders yesterday reaffirmed their support for the Movement for the Renewal of Sandinism [Movimiento de Renovacion del Sandinismo—MRS] and reported on moves by the FSLN's [Sandinist National Liberation Movement] orthodox sector aimed at undermining a meeting in which Sergio Ramirez and Commander Henry Ruiz participated.

Discussing the FSLN's crisis during a meeting at the Felix Pedro Picado-Ruiz Cooperative, the leaders said the MRS is not negotiable and that it is "a historic necessity intended to change the political proposals, organization, and methods of struggle. Otherwise, Arnoldo Aleman will win the 1996 elections."

The leaders confirmed that the MRS will participate in the 1996 elections. They criticized the disparaging language used by the official FSLN sector and said the criticisms run counter to Sandinism.

During the meeting, Consuelo Guevara reported that the orthodox Sandinists called the meeting "bourgeois." She accused Roberto Briceno of the Democratic Left faction of being one of those who tried to dissuade the communities from attending the meeting.

"Sergio is a friend and a brother of mine. I became acquainted with him through Sandinism. I know he remains a Sandinist and a revolutionary, not bourgeois or a traitor he has been labeled," Commander Ruiz said. He underscored that the communities need constitutional reforms, because the amended Constitution will guarantee the peasant's right to own the land.

"Modesto" urged the Subtiava communities to join specific struggles, such as those announced by several family heads who will not permit the Modesto Armijo Institute to be privatized through the so-called school autonomy efforts. "It is unacceptable that, while we discuss the political concepts of modernization, renewal, and reform as required by Sandinism, specific items are fought over in the streets and communities."

Ruiz explained the reasons why the orthodox faction claims the MRS belongs to the bourgeoisie. He added: "This is a snare against Sandinism itself, because if the current trend in the form of this movement is essentially bourgeois, this means that Sandinism somehow has been linked to the bourgeoisie in this country."

"Let us not spit into the wind. This is what our fellow party members are doing. He who spits into the wind will be hit with his own saliva," Ruiz said, referring to the FSLN's official sector's manipulation in Subtiava.

Ruiz insisted on the need for popular organizations to work independently, "because only in this way can we determine the interests and true necessities that are part of the renewal."

During the meeting, all of the peasants reported the mass seizure of lands by the banks. Ruiz said the government policies represent a return to the old capitalist model under which 90 percent of the country's lands were in the hands of 4 percent of the people.

"If the popular organization stays, the model will be destroyed. We are trying to preclude this to prevent war. We are removing the word war from our vocabulary. If instability persists, however, then our position will have to change. Sometimes we speak as if we were the people's genuine representatives."

He said that instability is making inroads in the country and that one of the sectors concerned is the Nicaraguan Resistance's rank and file.

Ramirez explained certain details of the final constitutional amendment proposal and referred to the situation of property ownership and the existence in the National Assembly of a proposal for a property ownership law. He called on the communities to be very careful about the way FSLN's orthodox sector uses the terms "bourgeois" and "proletarian."

Ramirez also discussed an incident that occurred during the Sandinist administration—in 1983 or 1984—in Jinotega during a "Face the People" program. Several Pantasma peasants asked to speak to him in private. They told him they had been beaten and offended "by our authorities."

As a public self-criticism, Ramirez admitted that mistakes were made by the Sandinist Party at times, such as when the owners of small grocery stores were accused of being bourgeois. "For this reason, I say we should be very careful, because the person who accuses others of being bourgeois will gradually be left alone in a mental and ideological prison." He illustrated this by saying the FSLN in Leon has been accusing ATC [Association of Agricultural Workers] leaders of being bourgeois.

"Here the flame is quietly being fanned. Here private sector businessmen denounce private sector businessmen. They attempt to appear as honest businessmen, but they operate in an underhanded manner. This is like mixing apples and oranges," said the national leader of Sandinist renewal.

Ramirez explained situations such as those initiated by BARRICADA's orthodox sector by pointing to yesterday's edition of that daily, which came out with a new stance. After initiating the dismissal of the reporters, one participant in the assembly told us that the daily revived memories of the defunct daily of the Somoza dictatorship, NOVEDADES.

Another manipulation by BARRICADA centers on the existence of a so-called "Ramirez Group," but Ramirez said no such group exists. What does exist are "35 Sandinist deputies elected by the people who are pushing for a constitutional reform to enable the nation to have more democracy," he noted. Also participating in the assembly were Leon Mayor Luis Felipe Perez; Danilo Mairena, departmental president of the UNAG [National Union of Farmers and Cattlemen]; Ariel Bucardo, president of Fenacop [National Federation of Cooperatives]; Dr. Ciro Orozco Berrios; and Sandinist Deputy Wilberto Lara.

For the Subtiava communities and the neighboring areas, the following also expressed opinions: Nora Chavarria, Mariana Penalba, Luis Profirio Chavez, Carlos Sandino, Mario Bolanos, Jose Francisco Roque, Gerardo Rivera, Yader Sanchez, Luz Marina Lopez, Frank Diaz, Arsenio Gomez, and others.

Panama

Human Rights Group Head Decries U.S. on Rafters

PA0611200094 Panama City LA PRENSA in Spanish 6 Nov 94 p A-1

[Report by Nubia Aparicio]

[FBIS Translated Text] The Inter-American Committee for Democracy in Cuba, led by Mexican citizen Octavio Paz, a winner of the Nobel Prize for Literature, "has reported and criticized" the U.S. Government on the grounds the Cuban rafters "have been interned in concentration camps" in Guantanamo and Panama.

Emilio Martinez Paula, the organization's secretary general, who visited Panama this weekend, reported the U.S. Government "for violating the human rights of Cuban political refugees, those innocent people whose only crime has been to risk their lives in the search for freedom."

Through an arrangement signed with the United States on 3 September, Panama agreed to receive as many as 10,000 Cuban rafters who, according to the agreement, will be cared for, protected, and fed by the U.S. Army for six months in camps, which they are strictly forbidden to leave, located along the banks of the Canal.

According to Martinez Paula, himself a Cuban-American, the rafters, particularly those in Guantanamo, are living in conditions that would have been regarded as cruel and unusual punishment had they been applied to criminals in the present U.S. prison system.

The organization, which fights for democracy in Cuba and whose headquarters is located in Houston, Texas, has asked the U.S. Government to allow the Cubans interned in "concentration camps" in Panama to join their relatives in Miami and elsewhere in the United States as political refugees.

Nevertheless, a federal magistrate made permanent on 31 October a ruling suspending the repatriation of Cuban rafters held in camps in Panama and the Guantanamo Naval Station. The ruling states the refugees are entitled to obtain legal counseling first.

The decision by U.S. Magistrate Clyde Atkins affects the approximately 24,000 Cubans held in Guantanamo and the more than 8,000 already in Panama.

In addition, according to EFE, the U.S. Army Southern Command reported yesterday singer Celia Cruz will visit the Cuban refugee camps in Panama on 12 November.

Southern Command did not say whether Cruz will perform for the rafters or whether she will just visit her fellow countrymen.

Finally, Panamanian boxing champion Roberto Duran, also known as Mano de Piedra, visited the camps yesterday to sing salsa music with the group White Sands.

Government Sets Up Drug Liaison Office

PA0711183894 Panama City EL PANAMA AMERICA in Spanish 7 Nov 94 p 1

[Report by Aquilino Ortega L.]

[FBIS Translated Text] Jerry Wilson, director of Institutional Security at the Government and Justice Ministry, announced yesterday the Panamanian Government has established here a liaison office with Central American police departments to counteract operations by drug traffickers and bands dedicated to stealing automobiles.

According to Wilson, police operations are being coordinated with all the Central American countries to prevent at the border areas illegal activities such as drug trafficking and the transiting of people without documents and illegal weapons.

The official cautioned it is necessary to control the activities of drug trafficking bands and of car thieves operating throughout the Central American region.

He said: "We are carrying out operations in coordination with police organizations from the area. We want to control criminal activities by organized bands."

Wilson reported the Panamanian Government is holding talks at the South American level so that members of the National Air Service and the National Maritime Service receive special training in that region.

Drug Traffickers Said To Operate in 39 Areas

PA0611200694 Panama City EL PANAMA AMERICA in Spanish 6 Nov 94 p A-1

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] Reports obtained from legislative sources and the Judicial Technical Police (PTJ) state that drug traffickers operate primarily in 39 areas of Panamanian territory.

Drug organizations operate out of Panama Viejo, Santa Cruz, Parque Lefevre, Ciudad Radial, San Joaquin, 24 December, Curundu, and San Miguelito.

The authorities in Chiriqui Province have determined the areas preferred by the drug traffickers are Punta Burica, Puerto Armuelles, and Paso Canoas. The main areas in Bocas Del Toro Province are Rambala, Sixaola, Almirante, Guabito, and Changuinola.

Other areas of considerable drug trafficking activity are El Rompio, Bucar, and Mensabe (in the Azuero region), and Sona and Mariato in Veraguas Province.

In Colon Province, where shipments of cocaine have been found on the shore, there are many areas where illegal activities are conducted, among them Portobelo, Palenque, Santa Isabel, Pina, the Free Zone, and Cristobal Port.

Puerto Obaldia (in San Blas region), San Miguel Island, as well as areas in Darien Province such as Jaque, Javiza, Menene, Cerro Pirre, Tuqueza, Tupisa, Pucuro, and Cerro Tacarcuna, are also areas used by the drug traffickers.

According to the reports, all of the gangs have connections with the Cali and Medellin Cartels.

The authorities have no estimate of the amount of drugs mobilized by the gangs in Panama, but an organization such as this one might sell 100 kg monthly and earn "extraordinary" profits.

The drugs most widely used in Panama are cocaine, marijuana, and cocaine sulfate, the availability of which has increased, because Panama used to be a passageway for drugs, but traffickers have now established the modality of paying their mules with drugs, which are sold to addicts on the local market.

Traffickers can purchase one kg of cocaine on the international market for anywhere between $700 and $1,100, while in Panama that same amount costs $2,200 or $2,700.

Argentina

Menem Explains Praise of Military in 'Dirty War'

PY0711122794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1950 GMT 4 Nov 94

[FBIS Translated Text] Buenos Aires, 4 Nov (NA)—President Carlos Menem denied today that his justification of the Armed Forces role in the fight on subversion had the purpose of countering eventual military unrest over the military salary problem. He considered such interpretations as "erroneous, awkward, and false."

Menem, as he did on 2 and 3 November, insisted on pointing out that during the "dirty war" of the 1970's "there were acts of torture on both sides" and repeated his request to the population "to forget everything" that happened then and avoid "stirring up the past, because everyone will end up being involved.

"Many Armed Forces, police, border police, and Coast Guard members were also killed en masse. Do you want to return to those times?" the president warned.

Menem talked to Radio Continental shortly before heading a cabinet meeting at the Olivos residence.

Menem reiterated that "the era of the 'dirty war' was a very difficult period in Argentine history," but warned that "we must not seek to justify the torture and torment imposed by both sides."

"It does not make sense to return to a past filled with horror because then we should start again investigating the past of many civilian and military citizens," the president said.

The president criticized "the attitude of those who raised their own flag, such as the People's Revolutionary Army (ERP), and sent applications to international organizations to transform Tucuman into a liberated zone."

"What would have happened to the Argentine people if these delirious agents had achieved their objectives? What would have happened if we had not put a stop to this series of uprisings along and across our territory with so many people dead, missing, and kidnapped?," the president wondered.

Menem said: "That was Argentina for a period of 15 years," adding that "happily a resolution of then President Maria Estela Martinez de Peron and Italo Luder, who succeeded her in the post, ordered an all-out fight against and an elimination of subversion."

Regarding the criticism made by his predecessor Raul Alfonsin for his justification of the military participation in the fight against subversion, Menem recalled that the UCR [Radical Civic Union] president "is responsible for the Amnesty Law and the Law of Due Obedience, which sought not to stir up the past."

"With those laws Alfonsin wanted to put an end to a fatal past in Argentina. I do not want to return to that past, which ended in the 1976 coup that landed many of us in jail," Menem stressed.

Menem also said that Grand Front leader Carlos "Chacho" Alvarez, who also criticized his remarks, "always played that game and besides, it is good for his political proposal."

Asked about a possible link between his remarks and the military salary and pension problems, Menem denied that his justification of the Armed Forces role is aimed at calming the military.

"Those are erroneous, awkward, and false interpretations because we do not have any problem in that area," the president stressed.

Menem repeated that he is against "torture," adding that "human rights must be respected by both sides and we must not forget that Armed Forces and police personnel and agents were also tortured in refuges built for that purpose."

"During my entire electoral campaign I remembered (Juan Bautista) Alberdi's expression 'pacify and transform.' That is any good ruler's mission. That is what I have been doing. It is what I will continue doing," Menem stressed.

Menem Criticizes Human Rights Group for Expulsion

PY0711222194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1050 GMT 5 Nov 94

[FBIS Translated Text] Buenos Aires, 5 Nov (NA)—President Carlos Menem has made an impassioned speech in defense of human rights and pilloried the Permanent Assembly for Human Rights (APDH) for its decision to expel him from the organization.

Visibly annoyed at the APDH's decision to cross his name off the list of its members, Menem said that "I have defended, do defend, and will defend human rights all my life."

Menem said that human rights must be defended "for the sake of the entire society and not for only a sector."

He criticized the APDH for not respecting what he considered one of the basic tenets of an organization such as the rights group, which seeks precisely "to ensure the right to a defense before imposing a punishment," as happened to him.

"Least said, soonest mended," said the head of state, referring to the impossibility of defending himself now that he has been expelled from the organization. He nonetheless made it clear that he will not pursue the matter of self-defense.

Menem made these remarks during a ceremony marking the observance of National Trade Day, organized by the

Coordinating Agency for Commercial and Business Activities (CAME), which was held on the evening of 4 November.

Menem made a vitriolic attack on Socialist Deputy Alfredo Bravo, who is also an APDH member, arguing that both Bravo and the other APDH members "are more left-wing than other leftist members."

In an obvious allusion to Pablo and Sergio Shocklender [who were sentenced to life imprisonment for killing their parents], Menem stressed that "they were not—as I was—next to a policeman who sustained six bullet wounds and was left blind, but rather mounted guard outside the hospital where the brothers who had killed their parents were located."

The president also recalled the time when a guerrilla group established a "liberated zone in Tucuman Province" during the 1970's, "striking terror throughout society."

He reiterated that the defense of human rights "must include the entire society, because when there is a casualty in either group, there is always a bereaved wife, parents, and children."

Military Pension System Reportedly in Crisis

PY0411231094 Buenos Aires CLARIN in Spanish 4 Nov 94 pp 2, 3

[FBIS Translated Excerpt] The Army has proposed the creation of an AFJP (Pension Fund Managing Company) to handle military funds in an attempt to solve the crisis facing the Armed Forces social security system.

The Army supposes that by privatizing the military pension system, officers and noncommissioned officers could "become independent" from the state, which is responsible for paying the largest share of retired military personnel's pensions.

The key of the Army proposal is that the private pension system will allow them to get rid of the correlation ["desenganchar"] between salaries of active duty and retired officers. They also expect to please Economy Minister Domingo Cavallo, who refuses to grant a salary increase to the Armed Forces because any salary increase to active duty military personnel will also mean a similar increase for the retired personnel.

In theory, and according to the law, retired and active duty military personnel must get paid a similar salary. According to the Economy Ministry, this system does not work because at present there are more retired than active duty officers.

Retired officers number around 90,000, while active duty officers total around 70,000. The rate among civilians is the opposite. There are more active (13,800,000) than retired (3,200,000) civilians.

According to the budget Cavallo and his team elaborated for 1995, the state will disburse 1.189 billion pesos to pay military pensions, or 63 percent of the money for Armed Forces pensions. The rest (some 700 million pesos) is the contribution of the active duty personnel. [passage omitted]

Senator Menem Satisfied With Results of UK Visit

PY0711195194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1536 GMT 7 Nov 94

[FBIS Translated Text] Buenos Aires, 7 Nov (NA)—Provisional Senate President Eduardo Menem stated today that the results of his trip to England had been "totally and absolutely positive." He added that "relations between the two countries have been strengthened," and for this reason he felt that negotiations over the sovereignty of the Malvinas Islands "will follow naturally."

Menem said that bilateral relations "were strengthened by the level of talks and the future plans," and added that "when British investments and bilateral trade begin to grow in Argentina, the Malvinas issue will be much more important for the British than it is now."

The senator explained, however, that the Malvinas issue was not the only issue discussed during his visit to Great Britain, but that they "also discussed trade relations between the two countries, British investments in Argentina, Argentina's role in the world, the role it plays in this new international order, and the vanguard position it has assumed concerning the transformation of the state."

Senator Menem said that those issues "are in constant discussion among British leaders in all the parties," and admitted that "one is filled with satisfaction after listening to so much praise for what has been happening in Argentina over the past few years."

In remarks today to Radio La 9.90, the brother of the president said that England "is a country where it is not easy to erect a monument," and that the one erected in London to pay homage to General Jose de San Martin "constitutes a landmark" as it is "another recognition of the outstanding figure of the father of the country, and also pays homage to our nation."

He also said that he held meetings "with the main British Government figures," and stressed the talks held with the British foreign secretary and with Prince Andrew, the duke of York.

He also mentioned his visit to the House of Commons, where he held "a very frank and intense chat with parliamentary groups from the various parties, with whom we discussed relations between the two countries."

PRC Mayor Views Economic Cooperation Prospects

PY0411140594 Buenos Aires TELAM in Spanish 0124 GMT 3 Nov 94

[FBIS Translated Text] Buenos Aires, 2 Nov (TELAM)-—After a meeting today with President Carlos Menem, Dong Wei, mayor of the Chinese city of Anshan, today predicted very good economic cooperation prospects between his country and Argentina.

Dong told reporters at Government House that "Argentina has accelerated economic growth, and that for this reason economic cooperation between the two countries has a promising future."

He said President Menem "is considering the possibility of visiting our district," adding that the date and the cities he will visit "will be established via diplomatic channels."

He also announced the possibility of installing a bicycle factory in San Martin, Buenos Aires Province; Chinese traditional medicine centers, and a wool washing plant in Santa Cruz.

He mentioned the intention of establishing a trade office in La Rioja Province, adding that Menem said "the initiatives are good."

The Chinese mayor said the agreement for the Chinese traditional medicine centers will be signed on 14 November. The first will be installed in the city of Buenos Aires, and others will be installed later in the interior of the country.

Anshan is the most important mining and industrial city in China. The area comprises Haicheng, Tain county, and four urban districts that cover an area of almost 5,000 square kilometers with a population of 2,272,000 inhabitants.

It also has almost 400 companies in which foreign capital has been invested, of which more than 300 are joint-ventures.

This situation is creating conditions for possible associations with Argentine businessmen in order to achieve industrial and commercial objectives.

During the meeting with Menem, the Chinese mayor was accompanied by PRC and Argentine officials and businessmen, among them [former economy minister] Juan Alemann.

Bolivia

Uruguayan Foreign Minister Begins Official Visit

PY0711211894 Madrid EFE in Spanish 1455 GMT 7 Nov 94

[FBIS Translated Text] La Paz, 7 Nov (EFE)—Uruguayan Foreign Minister Sergio Abreu arrived in the city of La Paz on 7 November to begin a two-day official visit to Bolivia.

Abreu had arrived in the city of Santa Cruz, located 851 km due east of La Paz, on the afternoon of 6 November. There, he was received by his Bolivian counterpart, Antonio Aranibar.

Both ministers held a meeting at the Foreign Ministry in La Paz to discuss several issues pertaining to bilateral relations, including the Parana-Paraguay waterway project, the inter-oceanic corridor, the Common Market of the South (Mercosur), and the Rio Group.

The members of the Uruguayan-Bolivian Commission, which is in charge of promoting physical integration and cooperation projects in the fields of education, culture, and science and technology, also met at the Foreign Ministry. They will, moreover, draft the documents that Abreu and Aranibar will sign at the end of the day.

Abreu's official agenda this afternoon includes meetings with Vice President Victor Hugo Cardenas, Senate President Juan Carlos Duran, and Chamber of Deputies President Javier Campero Paz.

Bolivian President Gonzalo Sanchez de Lozada will grant a private audience to Abreu when he concludes his visit to La Paz.

On 8 November, Abreu and his entourage are scheduled to visit Lago Titicaca, the highest lake in the world, and will then return directly to El Alto International Airport, from where they will depart for Montevideo at 1430 [1830 GMT].

Sanchez Urges Fight Against Colombian Traffickers

PY0811011894 Madrid EFE in Spanish 1613 GMT 4 Nov 94

[FBIS Translated Text] La Paz, 4 Nov (EFE)—Bolivian President Gonzalo Sanchez de Lozada has asked his fellow citizens to be united to fight the Colombian drug traffickers who are trying to "definitely settle" in Bolivia and devastate the country, as they have done in other parts of the continent.

In remarks to the La Paz newspaper ULTIMA HORA, Sanchez de Lozada said that "the time has come for us Bolivians to be united in one single front to fight the foreign enemy and its possible local allies."

He also explained that "apparently, internationally the drug war has replaced the cold war."

Sanchez de Lozada explained that "the Bolivian community has not yet realized how serious it would be for Bolivia if the activities of the 'cartels' and of the 'narcoguerrillas' moved to our country, because for decades they have devastated other countries of the continent."

The Special Antinarcotics Force (FELCN) last Tuesday [1 November] succeeded in frustrating an attempted escape of several drug traffickers who are held in custody at the Chonchocoro maximum security prison, and they arrested 14 people in La Paz and four others in Santa Cruz, 851 km east of La Paz.

Government officials introduced to reporters the arsenal the criminals had prepared for the attack on the prison, and noted that they also had the support of Colombian mercenaries and of a group of Bolivians, presumed collaborators of the drug traffickers.

"The people are not paying much attention to the importance of this operation, which virtually was an invasion by a foreign force" to liberate a score of Colombians arrested last year in the antidrug fight.

Sanchez de Lozada said: "We Bolivians are underestimating the danger of the international drug trafficking cartel, especially the Colombian, which is definitely trying to settle in Bolivia."

In March 1994 the Bolivian Government had warned about the problems of drug trafficking which result from the extreme poverty of the peasants and the excess, coca plantations which have become "a time bomb" for Bolivia.

Views Need To Avoid 'Colombianization'

PY0711224994 La Paz Television Nacional Network in Spanish 1700 GMT 7 Nov 94

[FBIS Translated Text] The statements by President Gonzalo Sanchez de Lozada during an interview yesterday with journalist Carlos Mesa for the De Cerca program were the subject of the day. Let us hear some of his comments:

[Begin Sanchez recording] Another key issue that has brought me here today are the narco-invasion, in other words, all the operations carried out by Cali cartel people, by people hired by the Cali cartel. [end recording]

During the De Cerca program broadcast last night by Television Channel 7, President Sanchez de Lozada depicted a somber situation, to say the least, with regard to the drug trafficking problem in Bolivia. The president of the Republic insisted on the need for the unity of the Bolivian people to avoid a sort of Colombianization of the Bolivian process.

[Begin Sanchez recording] Although I do not wish to criticize the people, I think the time has come for us to unite. This problem cannot be politicized. People should not be so irresponsible as to maintain that this is a show set up by the government and that there are.... [end recording]

We discussed the head of state's comments with representatives of various political parties today.

MNR [Nationalist Revolutionary Movement] representative Edil Sandoval Moron, for example, came to the following conclusion:

[Begin Sandoval recording, in progress] ...in Chapare, and as long as there are peasants in Chapare, there will be coca, and as long as there is coca, there will be drug trafficking, and as long as there is drug trafficking, there will always be repression. Consequently, I believe the time has come to find a definite solution. The solution necessarily entails moving the Chapare inhabitants to another zone, with the condition, naturally, that they will be able to survive and work under better conditions than in Chapare. [end recording]

Sandoval's proposal is original, to say the least, but almost unfeasible due to the great number of people who live in Chapare.

The ADN [Nationalist Democratic Alliance] stance regarding the problem is quite clear and definite. The ADN stance is very similar to that of the president of the Republic.

[Begin ADN Deputy Tito Hoz de Vila recording] If a comprehensive action is not carried out against drug trafficking in Bolivia, we may find we are facing, as the president of the Republic himself has stated, the Colombianization of Bolivia. I am not trying to say something pejorative about a brother and friendly country. I say this merely because drug trafficking greatly figures in public life in that country. [end recording]

The MIR [Movement of the Revolutionary Left] believes this may be regarded as a warning, that is, as a government strategy to apply a zero option.

[Begin MIR Deputy Guido Riveros recording] We must be careful not to adopt attitudes that might have a boomerang effect, so that we will not unnecessarily cause the people anguish. I agree with the president that every effort must be made. The president of the Republic, the government, and all Bolivians must make the utmost effort to spare the country such disastrous situations as those experienced by Peru or Colombia, for example, to mention two concrete examples. But neither must we exaggerate matters for the mere sake of implementing policies which are being mentioned by the president of the Republic as the zero option. [end recording]

The president's opinion and the information he disclosed, aside from the opinions of the various political sectors and the De Cerca program, was undoubtedly the news of the day.

Defends Drug Legalization

PY0811013594 Madrid EFE in Spanish 1745 GMT 7 Nov 94

[FBIS Translated Text] La Paz, 7 Nov (EFE)—Bolivian President Gonzalo Sanchez de Lozada has said in an interview on public television that he advocates the legalization of drugs, although he noted he cannot defend that position as president.

"I personally believe that human history has shown that vice cannot be prohibited; it is part of human nature ... When something is prohibited, people want to try it, and this is when the big business of crime begins" said Sanchez de Lozada in an interview on Bolivian National Television aired on the evening of 6 November.

"I don't believe the prohibition will lead to anything," said Sanchez de Lozada, who added that "a country like Bolivia and a Bolivian president cannot tell them ... we would look bad; we have no authority. That position must come from the consumer countries."

Upon expressing his mistrust of prohibition as an effective measure to fight drug trafficking, Sanchez de Lozada gave as an example the consequences and failure of the Prohibition Law in the United States in the early part of this century, which prohibited the consumption of alcoholic beverages.

Sanchez de Lozada recalled that during the Prohibition era in the United States, some cities like Chicago fell to mafia-dominated violence that was much more serious than the situation created by drug trafficking in Medellin, Colombia.

He pointed out as a contradiction the fact that drugs like cocaine are prohibited, while the consumption of alcoholic beverages, which "causes so many accidents, destroys so many families, and causes economic losses due to absenteeism in the work place," is legal.

He said the legalization of drugs is an "intellectual" proposition because for the time being "it cannot become a political position."

Sanchez de Lozada also indicated that within the framework of international drug enforcement, Bolivia is "the only one that succeeded."

Sanchez de Lozada said the "cancer" of drug trafficking in his country "is under control" but "it continues to be a cancer" because Bolivia is still a coca producer like Colombia and Peru.

Bolivia ranks second in the world, after Peru, in terms of production of coca, which is the raw material for making cocaine, and second, after Colombia, in terms of world supplier of that drug.

Sanchez de Lozada called on his countrymen to understand that the only path left for Bolivia to fight drug trafficking is the eradication of coca.

He explained that many Bolivians agree on the need to fight cocaine trafficking, but defend the peasants who grow and sell coca, which is the raw material for making cocaine.

Government Confirms Arrest of 23 Coca Farmers

PY0511015694 La Paz PRESENCIA in Spanish 29 Oct 94 p 7

[FBIS Translated Text] Government Minister German Quiroga yesterday admitted that the government has arrested 23 peasants who produce coca—and not 60 as was reported by leaders of coca farmers. The peasants were arrested for their involvement with drug trafficking and not because of their union activities.

One day after government officials had stated they had no knowledge about the arrest of peasants, Quiroga said yesterday that the coca leaders do not enjoy legislative immunity because they are not legislators and thus they are subject to the laws.

The 23 peasants were charged with the transportation of coca and possession of precursors and cocaine paste. Quiroga said that everyone who sells surplus coca is involved in trafficking precursors, or farms coca is described as a criminal and is liable to arrest and investigation and may even be indicted, even if the person in question is a union leader.

After stating that the commitment with the COB [Bolivian Labor Federation] to uphold union privileges is strictly enforced in compliance with the law, Quiroga said that "In this country the only ones who have legislative immunity are senators and deputies. Coca farmers are neither of the two. Union privileges are only applicable to union affairs and coca farmers cannot allege privileges before the law."

Moreover, Quiroga said leaders of coca farmers do not fulfill the commitments they made with the government of reporting the existence of maceration pits and of participating in the antidrug fight.

He said: "We have proposed that coca leaders implement joint control systems together with the government. This has not occurred for lack of cooperation on their part."

[La Paz PRESENCIA in Spanish on 31 October carries, on page one, an item on the arrest of coca growers that notes the following: "Members of the Mobile Police Unit for Rural Areas (Umopar) are carrying out a real 'hunt' of coca growers in an effort to 'cut the head of the union movement.'

["William Condori, leader of the Special Federation of Peasants of the Tropical Region, today denounced the fact that since last week more than 60 peasants, including various leaders, have been arrested, 'beaten up, and locked up in rooms with drugs and precursors in order to accuse them of being drug traffickers.'

["He said: 'They are trying to hunt us to get us involved with drug trafficking in order to cut the head of the union movement.' He also recalled that the agreement signed by the coca growers and the government through the Bolivian Labor Federation after the march for 'Dignity, Coca, and Life' is still in force.

["Condori added: 'They (the government) are not fulfilling the agreement. They are blackmailing us to conceal the fact that they are persecuting and threatening us. The Umopar members are locking up our colleagues in rooms with drugs and precursors in order to file charges against them under Law 1008.'

["Condori said that this week 'we will again mobilize our self-defense committees to answer the blackmail and the many abuses committed by the Umopar members. The government continues to repress men, women, and children; there is no respect for anyone. Absence of tranquillity is back in Chapare.'"]

Pando Reportedly New Base for Drug Trafficking

PY0511012894 La Paz PRESENCIA in Spanish 31 Oct 94 p 5

[FBIS Translated Text] (JATHA)—According to intelligence reports of the Special Antinarcotics Forces (FELCN), Pando Department is the new base of drug trafficking, said Deputy FELCN Commander General Rogelio Vargas yesterday.

As a result of the New Dawn operation being carried out in the Chapare region, drug traffickers established their new base in Pando Department; therefore, a part of the Umopar [Mobil Police Unit for Rural Areas] was sent to that region.

General Vargas said there is intelligence information, which he "will not disclose," about a reduction of drug trafficking in some regions and an increase in other regions of the country.

He added: "In the case of Pando, we have a part of Umopar that was recently moved there, to a new post."

General Vargas said the New Dawn operation continues and that all the goals established in the operations plan are being fulfilled.

Regarding the capture of the so-called "big fish" of drug trafficking, Vargas said the FELCN releases daily reports on the work done.

He believes the operation, which is in its fourth month, is a success because it reduced drug trafficking activities in some way but that despite the operation there are still some drug trafficking organizations in the distant jungle regions.

Asked about reports that some 60 people were arrested in the Chapare, General Vargas admitted that in this type of police operation, obviously some people are arrested and seizures are made, but that the arrested are not only peasants but also people who are outside the law.

Minister Praises Law Guaranteeing Investments

PY0711142994 Cochabamba LOS TIEMPOS in Spanish 29 Oct 94 p A1

[FBIS Translated Text] La Paz, 28 Oct (LOS TIEMPOS)—The Sectorial Regulation System Law [Ley del Sistema de Regulation Sectorial—Sirese], which will soon be promulgated by the executive branch as a supplement to the legal framework of the capitalization of state companies, is a basic guarantee for foreign investors.

This comment was made by Economic Development Minister Fernando Cossio who added that this opens the door for private national and international investors. Cossio noted that the approval of this law by the legislative branch is an important step in the process for the structural modernization of the state.

Within the framework of this law, the state becomes arbitrator and regulator of public service in addition to controlling and giving transparency to the capitalization process.

Cossio said: "The Sirese will enforce the different sectorial laws with equanimity and autonomy."

He noted that the system for electing Sirese superintendents, their time in office, and their level of individuality comply with the current constitutional regulations.

He concluded: "The main responsibility will fall on a single person because the experience with executive boards has been negative."

Alternatives Sought to Compulsory Military Service

95SM0036C La Paz HOY in Spanish 16 Oct 94 p 9

[Article: "Soldiers, At Ease!"; first paragraph is editorial introduction]

[Text] The reduction in the size of the armed forces is not only a rumor. The crisis in the system of compulsory military service is proof of this, at least in part. The military believe that young men should go into the service to fulfill a constitutional duty. However, they admit that they cannot handle all of the young men who reach military age each year. Some politicians propose voluntary military service or compulsory social service.

With somewhat more than 22,000 conscripts the Bolivian armed forces are one of the smallest national military forces in the region. However, even so, compulsory military service has turned into a heavy burden for the military which, over the past few years, has reduced the pressure to recruit more young men than it can maintain.

In this way, and inadvertently, "compulsory" military service no longer is what it says it is, in the strict sense of the word, due basically to the fact that the 400 million bolivianos annually allocated by the government in the defense budget to the armed forces are not enough to provide space for more recruits, and not even enough to maintain under good conditions the few young men who are accepted.

General Victor Vargas, the former subsecretary of defense, has admitted: "Until a few years ago, there were evidently more young men who intended to do their military service. Now those who go into the service are fewer in number."

He stated: "However, it makes no sense for a mass of young men to report for service and then be rejected. It is better for a sufficient number of recruits to go into the service."

Meanwhile, General Moises Shiriqui, former chief of the General Staff of the Command of the Armed Forces, admitted that the conditions under which a soldier is now trained have deteriorated notably, "due above all to the economic crisis which the country, and particularly the armed forces, are going through."

Alternatives

Among other consequences the crisis of the compulsory military service system, which is provided for in Article 213 of the constitution, has generated theoretical proposals which seek to abolish it, with a consequent reduction in the armed forces, not only in Bolivia, but in the majority of the countries of the region.

The feared reduction in the armed forces, which is implicitly recognized by some military leaders, is already a reality in neighboring countries such as Argentina and Brazil, while the so-called "Bush Plan" has begun to be distributed and studied by military officers of the region.

Political groups opposed to compulsory military service are beginning to think about possibly replacing it with compulsory social service, which is also provided for in the constitution in Article 8, Paragraph F.

In the view of Hugo San Martin, now national secretary of Interior Systems and Police, the option of compulsory social service should be considered as a way out of the present crisis which military service is going through.

In the view of Hugo Carvajal, a deputy of the MIR [Movement of the Revolutionary Left], "The present concept of the armed forces is no longer what it was, and, therefore, compulsory military service should disappear and give way to a concept of voluntary military service."

Furthermore, Carvajal stated that under the system of compulsory military service there is a form of economic discrimination, due to the fact that some young men are obliged to perform this duty, since they do not have the money to buy a "Libreta" [Exemption Card].

Reduction in the Size of the Armed Forces Not Viable

However, military leaders, including Generals Vargas and Shiriqui, warn that a reduction in the size of the armed forces is not viable "since, as such, this is a small institution."

Gen. Vargas said: "If we compare them with those of the other countries of the region, our armed forces are small. Therefore, it is no longer possible to reduce them any further."

In turn Gen. Shiriqui also expressed his disagreement with the abolition of compulsory military service, although he admitted that it might be possible to restructure it, in accordance with the present needs of the country.

Gen. Shiriqui concluded: "We have entered a period of change. At present the armed forces are carrying on their activities and tasks—without neglecting national security—in the struggle against poverty and in support of national development."

Gen. Vargas has explained on several occasions that, despite the apparent crisis in the compulsory military service system, there is no shortage of soldiers at the various installations, since they are always full and, at times, even have more than the authorized number of troops.

It is believed that the armed forces of Bolivia are composed of 30,000 soldiers, including officers, non commissioned officers, and conscripts. Of that total 6,000 are in the Bolivian Air Force, another 6,000 are in the Bolivian Navy, and the remaining 18,000 are in the Bolivian Army.

Solutions from Within

Nevertheless, the former subsecretary of defense recognized that there are some imbalances in the present structure of the compulsory military service system. He proposed, as a possible solution, introducing some technical training, such as carpentry, mechanical work, and other functions into the services. This would be systematically supported by the Law on Educational Reform.

He said: "Furthermore, these changes have already been introduced. Soldiers now serving receive training in different technical areas, after having completed basic military training. Conscripts from the cities even have an opportunity to attend classes at the universities."

He emphasized: "Soldiers were previously treated in a rigid and unbending way, which once was the case in the barracks, due to German influence on our Army. This attitude has been changed and replaced by treatment related to the process of instruction and apprenticeship.

Gen. Shiriqui expressed his inclination to maintain the size of the armed forces. However, he recognized that the conditions under which soldiers are trained have notably deteriorated, due to the economic crisis which the country is experiencing.

Why a Crisis?

In the view of both Generals Shiriqui and Vargas, the crisis not only involves military service but the structure of the armed forces themselves. It is a logical consequence of the economic crisis which the countries of the region are going through.

The former chief of the General Staff of the Armed Forces, who recently asked to be relieved from his position because of alleged political interference in the armed forces, added that the budget of the armed forces, which is slightly more than 400 million bolivianos annually, "is not enough to keep the troops in good condition." He continued: "No, the armed forces cannot disappear because they are vital to the existence of the state. Furthermore, let us not forget that their origin goes back to the years before the establishment of the republic."

Gen. Vargas concluded: "We were born with the republic and we will disappear with the republic."

Brazil

Squatters' 'Guerrilla' Actions in Para Reported

PY0711204494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Nov 94 p A21

[Article by Luiz Maklouf Carvalho]

[FBIS Translated Text] Twenty years after the military defeated the PC do B [Communist Party of Brazil] guerrillas in Araguaia, the guerrilla threat returned to Para. This time, however, none of those who reported the "new guerrilla" can say for sure who is behind it. For example, Colonel Raimundo Nonato Correa de Azevedo, commander of the 17th Military Police Battalion of Xinguara—the southern Para county that is affected by the largest number of conflicts—says that "undoubtedly, there is a guerrilla group, with ideological foundations, that is fully operational."

Says Judge Joao Batista do Nascimento: "There is an operational guerrilla group because actions are masterminded in advance and the objectives are always attained." "It is an armed group, funded by a financially strong group," says lawyer Ademar Torres, owner of the county's only notary public's office. "They are ideologial terrorists," says rancher Eurelio Piazza, while showing the two bullet wounds he sustained in his back during an ambush on 14 October.

The four of them give the same answer when they are asked to identify the guerrilla: "I don't know." The colonel is the only one who is more forthcoming: "I cannot say who is in command, but the church undoubtedly supports members of the group," he says. The church means the Pastoral Commission for Land and two of its most outstanding members, Father Ricardo Rezende and Father Henri de Rosiers, who is a lawyer.

The two priests, who do not believe in anything like a new guerrilla, deny any involvement with the members of the group mentioned by Azevedo. "We know some of them because of their union activities but we never work together," says Rezende. Col. Azevedo says that Rosiers has reported to the police as the lawyer of the members of the group. O ESTADO could not talk with Rosiers, who was visiting Europe, but could learn that he has filed a lawsuit against Azevedo. Rezende says that Rosiers' work as a lawyer has been limited to defending human rights.

The group that Azevedo, the judge, the rancher and the notary public office's owner referred to as "guerrillas" (and "terrorist," according to Azevedo) includes well-known names. The most "dangerous" ones, according to Azevedo, are: Heraldino Cavalcanti dos Santos (former president of the union of Xinguara rural workers); Francisco de Assis Goncalves da Silva, aka Macarrao; and Jonas Martins do Carmo. According to Judge Joao Batista do Nascimento, the three men have led several invasions of ranches, some of them causing deaths. Their last action, the judge says, was a new method for invading a ranch. "They invaded the ranch of Adao Nildo de Oliveira to engage in extortion from him," Nascimento said. "They collected a fee for each squatter leaving the ranch."

O ESTADO unsuccessfully tried to contact the three accused persons. Antonio Jose dos Santos, aka Barbudo, who replaced Heraldino, admits that "some farmers have engaged in improper negotiations." He said Heraldino "does share some of the blame," but says that the word "guerrilla" is exaggerated. "Xinguara has a mafia organization that is against the workers," Barbudo says. Contrary to other unionists, he opposes land invasion."

"The situation in southern Para is much more serious than has been reported," the judge says. "This group has operated for many years, and I am sure there is someone who masterminds everything." Nascimento believes it is a war "between ranchers and squatters," possibly with the objective of "destabilizing the region through well-prepared, organized invasions." The judge charges that omission by the state is the main culprit for the situation. "The police see everything but do not take any action," he charges, adding that "arrest warrants are not fulfilled." Xinguara's only judge, Nascimento has 1,600 lawsuits awaiting action.

Col. Azevedo, who disagrees with criticism of the police, showed pictures of "terrorists" and arms that have been seized to prove his assertion that there are guerrillas. "It would be enough to see the number of ranches they are invading," he said, showing the last official list of land possession conflicts. The list, which was released by Ademar Torres' notary public's office on 29 September, reports land possession conflicts at the Fenix, Sao Jose, Escalada do Norte, Parreira do Para, Paruapebas, Nazare, Madesul, Montes Claros, and Marisa ranches. "The invasions were carried out by the same group," Azevedo said. He believes the group has 60 members.

"They are bloodthirsty terrorists," he says. "They make their ammunition with lead, bees wax, and black pepper—this last ingredient to inflame the wound." Azevedo, who escaped an ambush some months ago, claims that the group "prepares its actions with crude, undisguised guerrilla methods."

Ademar Torres has another document to prove the charge: a list of 19 murder victims between August 1993 and August 1994, all of them ranchers or ranch employees. Most were shot, and all of them were natives of other states. "These murders were committed by this group," he says.

Father Rezende claims that Torres is exaggerating. "Some of those murders were caused by fights between ranchers and their gunmen, and cannot be blamed on workers," he says.

Implementation of Sivam Expected To Begin on Time

PY0811021094 Sao Paulo GAZETA MERCANTIL in Portuguese 3 Nov 94 p 6

[Arrticle by Eliane Cantanhede from Brasilia]

[FBIS Translated Text] Strategic Affairs Secretary Admiral Mario Cesar Flores phoned National Treasury Attorney General Edgard Lincoln Proneca on 1 November, asking the latter to expedite his ruling on foreign loans totaling $1.38 billion to finance the Amazon Region Surveillance System (Sivam).

The ruling is the only item of the paperwork that is still pending. Once the National Executive Branch receives it, it will be able to ask Congress to authorize the loans. According to Flores, this request would probably be submitted during the week starting 7 November. Since it is believed that congressional approval for these loans is likely to be easy because the issue is no longer controversial, the implementation timetable will be complied with; work will begin in 1995, and will take anywhere from six to eight years to complete.

The three foreign sources of funds are: the U.S. Eximbank and the Swedish EKN [Exportkreditnamden - Export Credit Guarantee Board] which offer a grace period of five years, and the U.S. firm Raytheon, the leading member of the consortium responsible for the project, which offers a grace period of 42 months. In all three cases, the loans are payable in 19 years.

Adm. Flores explained that the study of disbursements has been finished. The 21st biannual installment (10th year) will be the highest; at that point the annual payment on the loans will stand at approximately $300 million, which is 15 days worth of the Health Ministry budget. The price covers the entire system of surveillance for Brazil's largest border area, the Amazon Region, and includes radars and Embraer [Brazilian Aeronautics Company] planes.

Adm. Flores indicated that all four preselected consortiums provided for Embraer's participation: the U.S. company Raytheon, the U.S. company Unisys, the German company Dasa, and the French company Thompson. The Thompson consortium was the last one to be rejected in favor of Raytheon.

Since the Sivam is intended to protect Brazilian territory and interests, the Brazilian Government formally called a meeting of the National Defense Council on 11 August 1993 and obtained an exemption from the requirement to call for public bids. Even so, in addition to the notice sent to Brazilian companies inviting them to participate, letters of invitation were sent to 15 embassies. Of the countries invited, 11 submitted proposals; four were then preselected, and Raytheon was the winner.

Brazil To Participate in Peace Mission in Africa

PY0411130594 Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Nov 94 p 12

[Report by Norma Couri]

[FBIS Translated Text] Lisbon—Brazilian Foreign Minister Celso Amorim said in Lisbon yesterday that Brazil is willing to provide troops for the proposed UN peacekeeping force in Angola and Mozambique, whatever the outcome of the peace processes in those two countries. Amorim said: "The transition process demands our participation and as many observers as we can send, besides troops."

The Brazilian foreign minister traveled to Lisbon to confirm the visit of Itamar Franco to Portugal. Amorim brought a letter addressed to the Portuguese prime minister which leaves no doubt as to his intention to visit the country. This comes after two previous attempts to visit Portugal, which were canceled by the Brazilian president.

"I could not conclude my term as president of the Republic without participating in the second Luso-Brazilian meeting," Itamar Franco wrote. "It is a diplomatic commitment, and there are reasons of personality, culture, and history."

Itamar Franco will meet with [Prime Minister Anibal] Cavaco Silva on 30 November and with President Mario Soares on 1 December. On 28 and 29 November he will attend, perhaps as his last international act as president [Fernando Henrique Cardoso will be inaugurated on 1 January 1995], the meeting in Lisbon of the Community of Portuguese Speaking Countries [CPLP] with the heads of state of all Portuguese speaking African countries, perhaps with the exception of Angola and Mozambique—which is being organized by Ambassador Jose Aparecido de Oliveira. "The CPLP will help end the armed conflicts in Angola and Mozambique," Amorim said.

During the evening of 1 November and the entire morning of 2 November, Amorim met with Portuguese Foreign Minister Durao Barroso. Amorim had an item on his agenda to discuss with the Portuguese foreign minister: Brazilian dentists in Portugal. Amorim said: "We need more firmness," adding: "It is clear that relations between

Portugal and Brazil will not improve unless we resolve this problem." Amorim said the Portuguese Government can pressure the Portuguese Association of Dentists to lift their boycott on Brazilian dentists and intends to do just that. "If Israelis and Arabs were able to make peace we should be able to resolve the immigration problem," Amorim said.

Amorim arrived in Lisbon after attending the signing ceremony of the Israeli-Jordanian Peace Treaty and the Casablanca Conference on the Middle East and Northern Africa economic development with a stopover in Lebanon. "Brazil has 8 million people of Lebanese descent, twice the population of Lebanon, and we need to reenact agreements," the minister said.

Amorim also spoke of strengthening regional market links, like those between Mercosur [Common Market of the South] and the EU. "Immigration no longer scares us the way it did when Europe was growing and Brazil was in a recession. Today Europe is in recession and Brazil is in full growth," Amorim said before leaving for Brasil via Madrid.

Satellite Launching Accord With PRC Announced

PY0711122594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Nov 94 p A12

[From the "Briefs" column: "Brazil and China to Sign Agreement on Satellites"]

[FBIS Translated Text] Brasilia—The Brazilian Government and China will sign a $150-million agreement, which will include matching funds worth $50 million, for launching two remote sensoring, high resolution satellites. Under terms of the agreement, which is part of the Sino-Brazilian Program for Land Resource Satellites, the first satellite will be launched into orbit in May 1997.

International Reserves Reach $43 Billion in August

95SM0023B Sao Paulo GAZETA MERCANTIL in Portuguese 5 Oct 94 p 17

[Article by Lu Aiko Otta: "Country's International Reserves Reach $43 Billion in August"]

[FBIS Translated Excerpt] Brasilia—Brazil's international reserves in August totaled $40.2 billion in cash and $43 billion in terms of international liquidity, according to preliminary data released by the Ministry of Finance.

Foreign Exchange Contracts (in millions of dollars)

	1994				1993			
Description	Jul	Aug	Sep*	Quarter	Jul	Aug	Sep	Quarter
Exports	2,752	3,361	3,297	9,410	3,071	3,434	3,217	9,722
Imports	1,878	2,335	2,318	6,531	1,619	2,104	1,955	5,678
Balance	874	1,026	979	2,879	1,452	1,330	1,262	4,044
Financial purchases	2,341	3,074	3,274	8,689	2,569	2,824	2,789	8,182
Financial sales	2,878	3,795	4,605	11,278	2,165	2,214	3,706	8,085
Balance	-537	-721	-1,331	-2,589	404	610	-917	97
Overall balance	337	305	-352	290	1,856	1,940	345	4,141

* 29 September 1994.

Activity in foreign exchange contracts during September resulted in a balance of $979 million, according to data from the Central Bank (BC). Contracts for export totaled $3.297 billion, while imports came to $2.318 billion. The Ministry of Finance points to this as evidence that the foreign exchange rate is not out of line.

On the other hand, the favorable balance in commercial contracts was not enough to offset an unfavorable balance of $1.33 billion in financial foreign exchange contracts. Financial purchases in September totaled $3.274 billion. Sales, which reflect the outflow of funds from the country, totaled $4.605 billion. For the first time since the introduction of the real, the overall balance was in deficit by $352 million.

The government's exchange policy was responsible for an increase of approximately 164 million reals in the monetary base. That amount corresponds to the volume of funds issued by the BC to purchase dollars. [passage omitted]

Chile

Insulza Interviewed on Free Trade Negotiations

PY0711235594 Santiago ESTRATEGIA in Spanish 24 Oct 94 pp 36-38

[Interview with Foreign Minister Jose Miguel Insulza by unidentified reporter; place and date not given]

[FBIS Translated Excerpt] [passage omitted] [ESTRATEGIA] How important do you think it is to have a free trade agreement with the United States?

[Insulza] An agreement with the United States is an important instrument, but it not essential or decisive for our economic relations in that zone. An agreement with the United States would not be a determining factor, as many believe. It seems now that foreign policy and, worse yet, the overall national economic interest would depend on joining NAFTA, and that can create two types of deception: If no negotiations are held, the people would think that we failed terribly in our international trade relations, and if negotiations are forthcoming, once their effects are known, many people will say that this agreement was not so decisive in the national life. Those two types of deception must be prevented.

[ESTRATEGIA] You are a foreign minister who talks a greal deal about the NAFTA and that was not happening before....

[Insulza] It must be because I was professionally involved in U.S. studies for many years. Perhaps I have some leaning, not necessarily pro-United States, but for studying the United States.

[ESTRATEGIA] But in the past the issues of the Foreign Ministry and of the Finance Ministry were always clearly divided.

[Insulza] What happened is that somehow the prelude to the negotiations started after President Eduardo Frei's visit to the United States. Therefore, it was more or less obvious that the foreign minister would not comment on this issue because we were under the assumption that we were already in the technical phase of the negotiations which are directed by Finance Minister Aninat. The postponement of the fast track [preceding two words in English] somehow took us back to the political phase and here we must all push with the same force. I would not say there was a change of roles but a change of circumstances.

[ESTRATEGIA] But as a result of the postponement of the fast track, there was some questioning of how the technical teams were formed until that time. There were even sectors that asked for a greater participation of the Foreign Ministry.

[Insulza] The teams are interministerial and they are formed naturally according to the needs; therefore, I am not concerned about the coordination or the participation of the Foreign Ministry in the negotiations. But naturally, as the negotiations develop, the teams will have to be gradually strengthened because we will negotiate with the three technical groups that negotiated the NAFTA, and they are extremely experienced and well-versed. And this is not something minor we can handle with two or three people.

[ESTRATEGIA] What is the government doing to make progress in the negotiations with the United States?

[Insulza] I believe we must be very cautious in playing a single card and we should not think that some other party will do us a favor. We must study the way to negotiate with North America, taking into account the possibilities opened to us in the three countries. We must be capable of pushing our cause in the United States, Canada, and Mexico.

If that happens, we can have a negotiation commitment early next year. And I would say that the first six months of next year will be decisive because after that electoral interests begin to prevail, and we can spend our lives waiting and hoping that some time the fast track will be approved. This is why we must hurry and exploit all opportunities.

[ESTRATEGIA] Will Chile exploit this opportunity before the end of this year?

[Insulza] It cannot go beyond that. We must make a decision whether we go for a bilateral free trade agreement or for the NAFTA in the coming months.

[ESTRATEGIA] Is our choice either to accept the U.S. offer or get Canada and Mexico to support our entry into the NAFTA?

[Insulza] That is correct, but I would not view them as mutually conflicting because the generous offer made by Canada and Mexico in the sense of facilitaing our entry into the NAFTA necessarily presupposes U.S. participation.

[ESTRATEGIA] And it also presupposes that Chile will tell the United States first that it prefers the NAFTA.

[Insulza] Obviously.

[ESTRATEGIA] Despite the fact that the Mexican and Canadian proposal was made before, it is now being clearly explained that Chile is evaluating it. Was that also because of the postponement of the fast track?

[Insulza] The Canadian proposal existed for some time, but because we faced the postponement of the fast track all the options are being evaluated.

[ESTRATEGIA] Is the possibility of negotiating without the fast track also being evaluated?

[Insulza] Negotiations without the fast track always involve a serious risk. Just imagine that we negotiate our entry into the NAFTA and the proposal goes to the congresses of the three countries. In Mexico and Canada it can be either approved or rejected, but in the U.S. Congress attaching an amendment is enough to destroy everything that has been done, or even sufficient reason for the other two countries to reject it because the original agreement is being changed.

[ESTRATEGIA] Is that why an effort will be made to get the fast track?

[Insulza] This is why we believe it is essential to get the mechanism of the fast track.

[ESTRATEGIA] The Chilean proposal to the Mercosur [Common Market of the South] was made a few months before the tariff preferences fell. Why was a decision made at that time?

[Insulza] The best thing is to be frank. Only one and a half years ago there was an awareness in Latin American and in Chile that the Mercosur would be a reality. If you ask me why negotiations on the tariff preferences were held only during this administration when it was known that if there was a customs union the tariff preferences would fall on 1 January 1995, I would frankly tell you that it was because the majority of the people never believed there would be a customs union. This is the truth, and now, a little late, we are facing a Mercosur that overwhelms our expectations. This makes it more interesting, and more urgent. But the political will to negotiate with Chile exists and that has predominance over other circustances.

[ESTRATEGIA] Will the political willingness help to overcome the existing technical problems?

[Insulza] The technical problems are minor. In the face of any technical obstacle, we always have the option to take the issues to the political levels of negotiations of the Mercosur, to the level of ministers or presidents, where we are certain a better chance for agreement exists.

[ESTRATEGIA] Because of that optimism with regard to the political willingness, it has always been said in Chile that tariff preferences would not be eliminated....

[Insulza] In that regard we have more guarantees; it is not an act of faith. The tariff preferences and the trade benefits obtained throughout history must not only be negotiated with Chile, but with all members of the ALADI [Latin American Integration Association], and this process is quite behind. If an agreement is reached with Chile before 31 December, the Mercosur would still have to make a decision regarding the historic trade benefits of all the other countries of the region. The idea is not to negotiate in a hurry in order to have everything ready by the evening of 31 December or to prevent a collapse of hemispheric trade.

[ESTRATEGIA] In global terms, what are the main agreements reached so far?

[Insulza] The main agreements are related to the basic criteria for dealing with the historic trade benefits, the sensible products, and the list of exceptions. And the main problem is to have each country keep its independence for other trade negotiations in the future.

[ESTRATEGIA] Are the negotitions with the Mercosur difficult because this organization is a bloc?

[Insulza] The main problem is that the Mercosur was designed as a customs union and that it does not yet have the necessary instruments to adjust itself with the free trade zones. It should be kept in mind that there are two issues in the Mercosur in which Chile will not participate: the customs union and joint negotiations. If Chile joins the Mercosur, it does not have the obligation to give to it the preferences it gives other countries but only the preferences established in the treaty.

[ESTRATEGIA] The possibility of another tariff reduction has been mentioned lately....

[Insulza] It is incumbent upon our economic authorites; that is, the president of the Republic and the finance minister, to make decisions on issues such as tariff reduction.

From the standpoint of international negotiations, it is always preferrable to make tariff reductions in exchange for similar reductions. If I were to negotiate a tariff reduction, I "would do better" with an 11 percent tariff rather than with a lower one because I would be giving something in exchange for something. This is not, however, a basic guideline. The opinion of the economic officials should prevail here.

[ESTRATEGIA] Should the goals of the economic officials also take precedence over export prospects and trade negotiations?

[Insulza] Ronald Brown made a very interesting speech at the Exporters Association a few days ago, regardless of whether one agrees with the measures he proposed. He said that in dealing with tariff and exchange rate issues, one must take into account the type of country one is seeking to build. I believe the appropriate decisions should be based on this objective rather than on current situations. This opinion is shared by all other government sectors.

[ESTRATEGIA] What advantages would a tariff reduction bring to trade?

[Insulza] Whenever a tariff reduction is implemented in a given region, more trade seems to find its way toward that area. Thus, I believe that foreign trade talks with other regions will ultimately lead us to the point of having to reduce our tariffs in order to maintain our current trade balance.

[ESTRATEGIA] Is this issue being discussed within the government, or were there just official comments on it?

[Insulza] When Finance Minister Aninat said that the tariff issue could be discussed after the budget had been examined, he made it clear that that was a preliminary opinion and that the government had not yet made a final decision on the subject.

[ESTRATEGIA] What will the next steps be with regard to bilateral agreements?

[Insulza] We may sign a bilateral agreement with Ecuador in December. We have started talks with Peru and there are good prospects because major progress was made during the preliminary talks, the results of which went beyond normal expectations. Peru is our third trade partner in the region, following Brazil and Argentina. Because most of our trade with Peru consists of items not related to copper, our bilateral trade figures become all the more significant. We are also scheduled to sign, in the next few days, an initial agreement to deepen our economic relations with Bolivia.

[ESTRATEGIA] In the case of Bolivia, to what extent are political issues interfering with trade negotiations?

[Insulza] I do not believe they are interfering substantively. Yet, there will always be people asking why we are negotiating a trade agreement when this or that is happening. The two governments are, however, firmly determined to prevent political issues from interfering with these negotations.

[ESTRATEGIA] Has a clear decision been made with regard to making the partial agreement become a comprehensive free trade agreement?

[Insulza] We are determined to do that. To be realistic, however, I believe Chile must first take some steps regarding concessions and cooperation with a view to making bilateral trade a little more balanced.

[ESTRATEGIA] Are we exploring possibilities with some other Latin American country?

[Insulza] We should eventually seek to strengthen ties with Central America regarding free trade, but this is not one of our priorities.

[ESTRATEGIA] Preliminary talks are under way in Asia.

[Insulza] We are joining APEC [Asia Pacific Economic Cooperation], which is a group that consists of major economies such as those of the United States, Japan, and China. It would be thus difficult for Chile to play a key role in expediting those processes. Similarly, there are countries that are more interested in free trade agreements, and we have occasionally discussed these subjects with Australia, Malaysia, and New Zealand. I repeat, we have only discussed these issues; we have not negotiated on them. We have handed to the private sector all of the background information gathered on New Zealand. We have done this for one simple reason: The private sector has often complained—and rightly so—that we would consult them only after we had already started to negotiate. We are now consulting them even regarding the things we are planning to do, but some have unfortunately misunderstood our intentions.

[ESTRATEGIA] When do you expect these talks to reach the appropriate point at which Chile may be able to decide whether to negotiate or not?

[Insulza] No timetable has been set for this and no formal trade negotiations with Asian-Pacific countries are scheduled for this year or for 1995.

[ESTRATEGIA] What should Chile expect from its decision to join APEC?

[Insulza] To go with the world's largest trade area through a gradual process of economic liberalization and, consequently, to gain some space within that market.

[ESTRATEGIA] What should we expect from our talks with the European Union?

[Insulza] Our concern regarding Europe is that it is a region that grants many preferences. We are only entitled to the GSP [Generalized System of Preferences], which is the lowest of a high pyramid of preferences. This is why it is important for us to break this pyramid and to obtain conditions that are relatively similar to those granted to other EU partners. Unlike the Americans, the EU prefers to hold multilateral negotiations, and it is thus looking for a regional Latin American partner. The EU first contacted the Rio Group and then Mercosur. The EU is now expected to announce various types of negotiations. We will wait until December to learn about them to be able to comment on them.

Views Accord With U.S., Haitian Mission

PY0711122294 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 5 Nov 94

[FBIS Translated Text] The United States is reportedly willing to negotiate a commercial agreement with Chile. U.S. Secretary of State Warren Christopher and Chilean Foreign Minister Jose Miguel Insulza held a positive discussion in this regard.

Here is a report from Washington by reporter Monica Perez.

[Begin recording] [Perez] U.S. Secretary of State Warren Christopher has assured Chilean Foreign Minister Jose Miguel Insulza of the definite willingness of the United States to negotiate a commercial agreement with Chile. During his two-day visit, the Chilean foreign minister strived to reactivate negotiations toward achieving a commercial agreement. All the signs are optimistic.

[Insulza] Without making any announcements, all I can say is that the situation is very calm. We have ascertained that there is a willingness to negotiate next year and we are willing to wait for the established timetable.

[Perez] Regarding Haiti, which is another pending issue between Chile and the United States, the foreign minister announced that a Chilean mission will travel to Port au Prince, Washington, and New York within the next 10 days to review possibilities for cooperation following the restoration of democracy in Haiti.

[Insulza] We also discussed Chilean cooperation with Haiti on security matters. We have already discussed possibilities like the training of police forces, assistance in the organization of the police force, and the establishment of police academies to train officers. All these issues will be discussed in the next few days. These tasks will be entrusted to the Chilean mission that will go to Haiti in November.

[Perez] Following the discouraging postponement of the fast track [previous two words in English], the panorama for a Chilean- U.S. commercial agreement looks a bit more promising. This encompasses a long process and its achievement is tied to the two upcoming presidential meetings in Jakarta and Miami. It is rumored that more specific news might result from these meetings. The only alternative right now is to wait and see. [end recording]

Insulza Back From U.S.; 'More Optimistic' on Miami Summit

PY0711230794 Madrid EFE in Spanish 1602 GMT 7 Nov 94

[FBIS Translated Text] Santiago, 7 Nov (EFE)—Chilean Foreign Minister Jose Miguel Insulza today stated that after his visit to Washington he is "a lot more optimistic" about the results of the Summit of the Americas to be held in Miami from 9-11 December.

Insulza confirmed that during his meetings with the highest ranking U.S. authorities, he was able to confirm that the trade subject—a priority issue for Latin America—will not only be raised during the summit but also the main issue of the meeting.

The foreign minister said: "I am certain that a proposal at a hemispheric level regarding free trade will surface during the summit, and this will help in the conduct of negotiations on the subject in the years to come."

Yesterday Insulza returned from a four-day visit to the United States, where he met with Secretary of State Warren Christopher, Secretary of the Treasury Lloyd Bentsen and Trade Secretary Ronald Brown, as well as with Trade Representative Mickey Kantor, among other high-ranking U.S. officials.

As he assessed relations with that country, the Chilean minister said that bilateral relations are "optimal" and that the two countries "share points of view regarding basic hemispheric issues."

Regarding negotiations for a free trade agreement between Chile and the United States, Insulza said that in Washington "nobody doubts that the first negotiations will be with Chile."

He explained that in Washington he also discussed renewal of the air traffic agreement between the two nations, which expires in late November, and he noted that the only thing remaining to be settled is whether the agreement will be for one or two years.

The foreign minister recalled that the United States is the main foreign investor in Chile and the main recipient of Chilean exports.

Frei Notes Importance of Chilean Presence in Pacific Rim

PY0711163594 Madrid EFE in Spanish 1625 GMT 6 Nov 94

[FBIS Translated Text] Santiago, 6 Nov (EFE)—Chilean President Eduardo Frei, who on 8 November will start an Asian tour of Pacific Rim countries, has stressed the importance of Chile's presence in this region, which holds nine of the 10 most thriving world economies and is the destination for 60 percent of Chilean exports.

During a news conference held in Villa Alemana, located inland from the central coastal region, Frei discussed his upcoming trip to four Asian countries and his attendance at the Asia Pacific Economic Cooperation (APEC) summit, which constitutes the first step of a large Chilean offensive in Asia.

Chile will officially join APEC during the summit, scheduled for 15 November in Indonesia, thus becoming the first South American country to do so.

Frei said that Chile is joining a market grouping the United States, Canada, Japan, China, South Korea, Malaysia, and Australia, which projects unquestionably into the 21st century. These countries receive up to 60 percent of all Chilean exports, and constitute the source for one-third of Chilean imports.

Frei explained that during his Asian tour, which starts on 8 November and is scheduled to take him to Indonesia, Japan, South Korea, and Australia, he will be traveling with cabinet members, economic officials, legislators, about 100 businessmen, university rectors, and media representatives.

According to Frei, the presidential entourage will be representative "of what Chile hopes to achieve in the Asian-Pacific world, from which we have a lot to learn, because these countries have achieved a high rate of development through close cooperation between the government and private companies and rallying around important national goals."

Frei reasserted that Chile has much experience to learn and adapt from Pacific rim countries. He added that these are countries with scarce natural resources, "that have achieved high levels of development in the bases of education, training, and technology."

Frei added that during his Asian tour, which ends on 24 November, he will carry out a busy agenda that includes several meetings with chiefs of state, among them U.S. President Bill Clinton and Candadian Prime Minister Jean Chretien.

Frei is also scheduled to meet with the government leaders of Indonesia, Japan, South Korea, and Australia, countries with which, he said, Chile "hopes to strengthen its ties in order to increase bilateral cooperation, investment, trade, and technological training, as well as increasing the inflow of investment to Chile."

Minister Heads Delegation to London, Seeks Investments

PY0711142694 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 7 Nov 94

[FBIS Translated Text] Finance Minister Eduardo Aninat has left for London heading a delegation of businessmen. He seeks to attract foreign investments in infrastructure projects in Chile.

The finance minister's delegation includes Hernan Somerville, president of the Banks Association; Pablo Irarrazaval, president of the Santiago Stock Market, and 40 businessmen.

The agenda includes an economic seminar at which they will explain the current Chilean economic situation; its advantages and investment possibilities in the private sector. The minister will meet with four British counterparts, and with the director of the Bank of England.

[Begin Aninat recording] Our objectives are two-fold: First to present and outline to our British counterparts the projects and challenges of our infrastructure, seeking to attract British investments in water treatment projects, in airport and highway construction, and especially in the area of concessions.

Second, to exploit the rich British and European experience in the area of tariffs, in urban infrastructure systems, and especially concerning current concession laws. [end recording]

Everyone agrees the consolidated political and economic situation in our country will enable Chile to become the main South American financial market.

Czech Vice Minister Visits To Promote Trade

PY0411160394 Santiago EL MERCURIO in Spanish 23 Oct 94 p C2

[FBIS Translated Excerpt] Vaclav Petricek, Czech Industry and Commerce first vice minister, voiced optimism over the results of the visit to Chile of the mission he heads.

Petricek will be in Santiago until 25 October. He has a busy agenda which includes meetings with Foreign Minister Jose Miguel Insulza, Production and Commerce Federation President Jose Antonio Guzman, the president of Pro-Chile [Institute for Export Promotion], representatives of the Chilean Chamber of Commerce, of the Committee for Foreign Investments, and the Czech-Chilean Chamber of Commerce, among others.

Petricek heads a delegation of four Czech authorities that have come to promote trade between the two countries.

The purpose of the visit is to negotiate a bilateral agreement to protect investments and prevent double taxation, and later to establish a free trade Chilean-Czech agreement proposed by Czech Prime Minister Vaclav Klaus when he visited Chile in April.

In referring to the establishment of mixed enterprises, joint activities with third countries, and reciprocal investments, Petricek said: "Our good political contacts make it possible to establish an economic cooperation system that goes beyond mere trade." [passage omitted]

Colombia

Foreign Minister: Cuba Not on Miami Summit Agenda

PA0711215194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 7 Nov 94

[Report by Ivan Dario Parra; from the "Cripton Newscast"]

[FBIS Translated Text] Foreign Minister Rodrigo Pardo returned from Cuba last night, and this morning he granted an interview to journalist Ivan Dario Parra. He spoke about the strengthening of Colombia's relations with the regime of Fidel Castro, and he also reported that Ricardo Santamaria would be reconfirmed as Colombia's ambassador to the Caribbean island.

[Parra] Despite Cuba's serious social and economic crisis, foreign investors are viewing the island with growing interest, to the extent that Mexicans are now operating a cellular telephone service in Havana. Colombia will not be left behind. During the first quarter of 1995, two of Colombia's most important economic consortiums in the field of soft drinks and beer will initiate a series of investments in Cuba.

[Begin Pardo recording] Representatives from Colombia's big businesses are already going there. There are opportunities in the industrial sector, as well as in the area of agro-industry. Agricultural industries that have been very successful in Colombia in recent years would be well-received by Cuba. [end recording]

The Colombian foreign minister said the issue of Cuba will not be discussed at the Summit of the Americas, which will take place in Miami next month.

[Begin Pardo recording] I think the majority of the countries that will take part in the summit would not appreciate the Cubanization of the summit for many reasons. One reason is that Cuba will not be there because it does not have a democratically elected president, which is the criterion President Clinton used when issuing invitations. Another reason is that the summit will take place in Miami, where there is a large community of Cuban exiles. [end recording]

The Colombian foreign minister also confirmed Ricardo Santamaria as ambassador to Cuba.

President Remains Committed to Dialogue With 'Guerrillas'

PA0411211394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 4 Nov 94

[From the "National Newscast"]

[FBIS Translated Text] The government of President Ernesto Samper will continue to firmly pursue a dialogue with the guerrillas, despite the bloody attack in El Cauca. This was announced by the president himself during a ceremony to mark the anniversary of the National Police. President Samper strongly condemned the incidents in El Cauca, where guerrillas ambushed a bus carrying students and police. Nevertheless, he said the peace process will continue.

[Begin Samper recording] The Colombian people do not want police in the mountains, where they become victims of ambushes and attacks. Rather, they want them on the streets in front of their homes, guarding their local neighborhoods and cities. The government has responded to this collective desire for peace and coexistence by committing itself to a reconciliation process that will permit us to have a peaceful country by the end of the century. [end recording]

The president said the peace process will continue, adding that he will not forget Popayan, where there is pain and sorrow because of the massacre of the police and students.

Security Director Denies Reports Linking Guard to Attack

PA0511211094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 4 Nov 94

[From the "National Newscast"]

[FBIS Translated Text] The DAS [Department of Administrative Security] celebrated another founding anniversary today amid a serious crisis due to the crisis uncovered in the institution and discovered plans of an attempt against the life of the DAS director. Here is a report from DAS headquarters by Sandra Vergara:

[Vergara] Today the DAS is commemorating its 41st anniversary in a ceremony presided over by President Ernesto Samper. He said the strengthening of intelligence will be geared toward preventing a disease rather than suffering from it. Second, he announced the special risk coverage will be expanded to benefit all DAS officials. Third, he said a national system of information will be created to strengthen the regional intelligence units.

DAS Director Ramiro Bejarano today denied reports that have implicated his personal bodyguard in a thwarted attack against his life. He said he has total confidence in his men, and he somewhat assuaged the intensity of the crisis.

[Begin recording] [Unidentified reporter] What truth is there to a police report that the attack implicates individuals currently linked with the institution and perhaps even your personal bodyguard?

[Bejarano] There is nothing that I have confirmed. I am quite surprised, because I have no fear of my bodyguards or the DAS people. Nor do I have any evidence my telephone has been tapped.

[Reporter] Do you suddenly have fears, in light of those threats or attacks that may not only be physical but also moral, that Dr. Brito or General Maza may be implicated, as has been rumored?

[Bejarano] No, I have never accused anyone in particular of being behind such threats. I am not questioning the past, but am looking toward the future.

[Reporter] Is it true that more people will be dismissed from the DAS?

[Bejarano] I am not conducting a purge. I am designing a new policy. [end recording]

Events Viewed in Light of Toft Statements

95WD0042A Santa Fe de Bogota SEMANA in Spanish 18 Oct 94 p 15

[Commentary by Roberto Pombo: "Did Toft Stop Short?"]

[FBIS Translated Text] As some of us more original writers say, rivers of ink have flowed since the statements made by the already popular Joe Toft, the former director of the DEA [Drug Enforcement Agency], were published in the Q. A. P. news report. To some people it seemed like an act of cowardice that the antinarcotics agent decided to speak when he already had one foot on the gangplank. Others considered it an unacceptable case of meddling in our internal affairs by Yankee imperialism. Still others called it a clumsy lie. And there was no shortage of those who were in agreement, wholly or in part, with the bloodcurdling phrase which went around the world: Colombia is a narcodemocracy.

The first reactions overseas were predictable. To some people there was nothing new about that expression, since the bad reputation which we have has made many people sure that the statement is true, even before good old Joe said it. Others considered it more or less exaggerated. However, the only thing certain is that everyone has been waiting to see what would happen in Colombia after the former United States policeman was kicked around. You would have to be too much of a nationalist not to realize that subsequent events have only proved that Toft was right. And someone who is very suspicious might have even thought that Toft did not go far enough.

First, we have to rid ourselves of the complex that when someone speaks of narcodemocracy, he is speaking of a narcogovernment. That is not the case. However, the fact that President Ernesto Samper has nothing to do with the narcotics traffic (obviously, Joe Toft himself said this in the interview.) does not mean that this fact makes the country innocent of the charges made.

Who is in a position to explain to a foreigner that the Congress of the Republic of Colombia was just about to approve a draft law concerning illicit enrichment and people acting as front men, which was openly favorable to the narcotics traffickers, and that all of this happened when the minister of justice was in his car on the way to Parliament to discuss the matter? Who can justify to surprised North American diplomats the reason for the hostility of Colombian members of Parliament in response to their "lobbying" efforts in the legislative branch of the government, just as we expect Colombian diplomats in Washington to do whenever the United States Congress takes up a subject of interest to us?

Who can justify the fact that one of the participants in the murder of Rodrigo Lara Bonilla—a crime which marked the beginning of narcotics terrorism in Colombia—should be considered by the Colombian prison system as having the right to go on leave from prison regularly? Furthermore, who can justify the fact that he was also able to do this without the permission of the prison authorities, as happened in the well known La Calera episode?

Who has enough arguments on hand to explain to the world that agents of the Prosecutor General's Office were kicked out of La Picota prison, where many of the most important criminals linked to crimes related to narcotics violence are held, when the agents went to make a routine inspection? (Not to mention the fact that the prisoners were fully dressed and their cells in proper order when the "surprise" visit of the agents of the Prosecutor General's Office took place at midnight.)

And those are only some of the things that have happened since Toft, the "bomber," set off his charge of profundity. If you add to that all of what happened before, the picture projected abroad is a gloomy one, to say the least. From the attack on the minister of defense, when he went to visit a laboratory where cocaine which had already been seized was stored, to the purge in the police force. For in that case the view taken of these incidents in Colombia is that the government pulled up its pants and tore the evil out by the roots. However, what people see from abroad is the tremendous ability of these criminals to infiltrate the system.

Therefore, from this point of view the decision to reply to the harsh reaction of the United States by raising once again the program of collaboration with the DEA does not look very good. Nor does hardening the terms of this relationship in retaliation for insinuations made look good. This could have the negative effect of being regarded as proof that the suspicions about Colombia have some basis in fact.

Nor should we criticize the fact that the North Americans may be questioning the soft policy which they supported at other times. In the past they accepted the voluntary surrender of the narcotics traffickers, not because they believed in our system of justice but because they did believe in our prison system. However, the events which have taken place from the escape from prison of Pablo Escobar to the temporary release of Byron Velasquez to go dancing must have made the North Americans change their mind. And we do not have the gall to tell them they are mistaken.

Prosecutor General's Performance Evaluated

95CA0013A Santa Fe de Bogota SEMANA in Spanish 18 Oct 94 pp 23-28

[First paragraph is SEMANA introduction]

[FBIS Translated Text] After Alfonso Valdivieso's first weeks as the head of the Prosecutor General's Office, it is clear that his policy will be more of a firm hand than an expanded head.

Many people expected little of Alfonso Valdivieso. But now most of the criminal law experts and staffers in Colombia's Prosecutor General's Office see him as standing taller than his short stature of 160 centimeters actually allows him to do. The explanation is simple: in his eight weeks as prosecutor general, he has made firm and timely decisions in major cases being handled by his department and, even more important, he is starting to alter the administrative course of his department.

This is not an easy job. Valdivieso is replacing Gustavo de Greiff who, despite the controversies that his statements and some of his most recent decisions always unleashed, was a very popular figure whose integrity and honesty were well known. In addition, the new prosecutor took on this challenge from a fairly weak position; he was included in the short list of candidates which then President Cesar Gaviria—after consulting with his successor Ernesto Samper—sent to the Court to select De Greiff's replacement, but his name, rather than being that of a solid and favored candidate, was included as a token tribute from Gaviria and Samper to the family of Luis Carlos Galan, Valdivieso's cousin.

Combined with this somewhat lackluster image was the fact that in his career as a senator, politician, and education minister, Valdivieso's performance was considered more routine than inspiring. When he became a candidate, nobody remembered that he had been one of the few members of the Senate's First Committee who, during the darkest days of narcoterrorism at the end of 1989, had stood up in a stormy session to oppose the proposal made by some members of Congress to include a plebiscite on extradition in the constitutional reform that the Barco administration was preparing. In fact, when he became prosecutor general, nobody in Colombia associated Valdivieso with an excellent speech, a major bill, a big interview, or a memorable phrase. The media simply mentioned his honesty and discretion, but opinion polls conducted three weeks after his selection showed that the people's opinion of Valdivieso was fairly low: favorable ratings of only 21 percent, and 17 percent negative (Gallup-RCN [National Radio Network] Invamer [expansion not given], July 1994).

Strangely, the low profile that has characterized the former minister's political life has now become his biggest asset. Without major propaganda ploys or press conferences, without yielding to the temptation of criticizing his predecessor, but displaying instead an unusual sort of reticence, the new prosecutor has been acting, not talking, and that has marked the difference.

Decisions

During his short time as prosecutor general, Valdivieso has had a number of opportunities to change the course of some major investigations in progress. Like the big cases against leaders of the Cali cartel, which had been practically paralyzed; or the case of Ivan Urdinola Grajales, who was on the point of walking out free, but against whom new investigations are now being pursued; or the revocation of certificates that had been issued to alleged drug traffickers from Cali protecting them from possible arrest. And there is also a possibility of reopening the investigations of the narcocassettes and narcovideo, and the resumption of an inquiry into Victor Carranza for his alleged backing of paramilitary groups (see boxes [at end]).

There are also other decisions which, though they have not produced as much of a stir, may be more important than those cited above. According to criminal attorney Antonio Jose Cancino: "Even more important than correcting the course of some cases, Valdivieso has worked to make a full diagnosis of the operations of the Prosecutor General's Office, and he has done it well." A good part of the job which the new prosecutor and his staff have done has centered on the department's internal operations, which, just two years after it was created, seems to have already been infected with the problems of inefficiency which have traditionally plagued Colombian justice.

One of the principal areas being analyzed by the new official is the problem of congestion in the courts. He is quite right to do so as, by constitutional mandate, in July 1995 his office, which is already clogged with close to 800,000 cases, will have to take 500,000 more cases that will be transferred to it by the criminal and general courts. So in its third year of operations, the Prosecutor General's Office will have inherited from the old system a total of 1,300,000 unresolved cases, plus cases that arise in the coming months. So one of the prosecutor general's top priorities is the rapid resolution of these cases, most of which are irrelevant proceedings prescribed by law, or matters which could be settled simply and quickly.

"Nevertheless," adds Valdivieso, "we can not yield to panic; it is not appropriate to start hiring new staff, as we can not decide in a time of crisis how many prosecutors the country needs. We know that more are needed, but we do not know how many." For this reason, a number of options are being reviewed to cope with this crisis. They include hiring temporary pretrial attorneys wpe with this crisis. They include hiring them, already analyzed, for review by prosecutors.

In any event, the volume of cases inherited from the old system is not the sole cause of congestion. One reason why there are 1,300,000 cases pending in Colombia is that both judges and prosecutors are still unfamiliar with the application of judicial short-cut instruments, like early verdicts and plea bargaining. "The universities have not shouldered their responsibilities for training attorneys for the new institutions, and we are going to have to do this job ourselves," Deputy Prosecutor Adolfo Salamanca told SEMANA. In addition, the system was designed so that the court system gets filled with cases that did not have to be handled in court. An example of this is violent deaths, 33 percent of which are, medically speaking, natural deaths; still, they are subject to judicial investigation.

Still, another factor in the problem of congestion lies in the department's internal operations. When he became prosecutor general, Valdivieso found other problems caused by administrative chaos, like inefficiency in budget management, which has a 27 percent execution delay. For that reason, to quote the prosecutor: "We are going to 'administer' the administration of justice." This means simply putting order in the operations of the agency in order to avoid useless proceedings, to speed up cases, and accelerate investigations.

To do so, Valdivieso has announced the elimination or modification of some proceedings that obstruct the work of prosecutors and which, though they are the result of efforts to design an effective system, had in practice become real hindrances. This is true of the Advance Investigation Units, which were responsible for conducting a preliminary investigation before the cases were turned over to the prosecutor who would handle them. Even though they were created to avoid congestion in the courts, their existence had become a first investigative chamber. For that reason, the present administration has decided "to remove the doorkeeper from investigations." In the same way, the joint departments, which had aroused so much controversy among litigants, are being reevaluated, as their existence was becoming a judicial bottleneck.

Another major concern of the new prosecutor general is the training and specialization of his staff. The idea behind this project is that officials should be as knowledgeable of the crime they are prosecuting as the criminals themselves. "We can not continue to deal with sophisticated criminal organizations with a disorderly judicial apparatus," says Valdivieso. For that reason, the Prosecutor General's Office has set up special courses on money laundering, carjacking and car thefts, kidnapping, juvenile delinquency, airport matters, and crimes against the public administration.

The Big Challenge

For all these reasons, people who have followed Alfonso Valdivieso's work closely, like criminologist Jaime Bernal Cuellar, say that "if they can be implemented, his intentions may give a new direction to the Prosecutor's Office." And so far, the bulk of the prosecutor's actions and decisions have been well received. Legal experts have hailed his decisions to take the bull of the agency's administrative sloppiness by the horns. Still, eight weeks seems a very short time to draw up a performance evaluation and so far, these actions are just the start.

The big challenge facing Valdivieso is for the Prosecutor General's Office to work and not just for Valdivieso to appear—as in fact he now does—to be a firm and energetic prosecutor. In other words, for the famous statement Valdivieso himself made when he took over the job, saying "there is more prosecutor than Prosecutor's Office here," to cease to be true. At the end of his term in office, it will not matter so much whether he himself is popular, as that the Office is working. As journalist Maria Teresa Herran says in a highly favorable book on De Greiff which has just been published: "The Prosecutor General's Office can not be the prosecutor." And she is right: the Colombian people can not rely on the qualities of any given director to ensure that justice will not be arbitrary and corrupt; otherwise, that will put an end to what the journalist calls the Prosecutor General's Office with a good image."

So it is clear that the task Valdivieso has just undertaken is by no means unimportant. While everything indicates that he has started off on the right foot, along the road there are a lot of potholes and obstacles that he may trip over. Now the country knows that this man with a profile as low as his height will not easily give in to the temptation of public opinion justice, based not on results but on great expectations created by press conferences and sound bites. But that is just the start. For the rest, it is too early for a full analysis.

Carranza

On 12 August the Prosecutor General's Office halted an investigation against Victor Carranza, the owner of Los Naranjos ranch in Cumaral (Meta department), which the Army raided in 1993, based on suspicion that a paramilitary group was operating there. Five persons were arrested there and weapons intended solely for military use were confiscated.

Gustavo de Greiff's office felt that "the sole fact that the ranch that was raided belonged to Carranza did not provide valid grounds for making him an accessory to the crimes of possession of restricted weapons and the sponsorship of private vigilante groups."

Prosecutor Valdivieso has rescinded that decision, believing that there were evidentiary flaws and contradictions that do not allow Carranza to be fully detached from the actions being investigated. "In the records there are copies of payroll statements to employees for La Cristalina Cattle Ranch at the time when it was supposed to be under the administration of the National Agrarian Fund."

Narcocassettes and Narcovideo

For an investigation to be reopened, new testimony and documentary evidence must be found. A Prosecutor's Office group is now reevaluating the narcovideo and narcocassettes. One new element is the interview of former DEA official, Joe Toft, before he left Colombia, in which he said that the agency was involved in making the video that was supposed to demonstrate that some political officials had been bribed. It seems certain that Valdivieso will order that the inquiries be pursued more thoroughly.

"Arete" and "Popeye"

This Wednesday [19 October] the results of the thorough review which Valdivieso ordered of the cases against Jhon Jairo Velasquez, "Popeye," and Carlos Mario Alzate, "Arete," will be announced. A panel headed by Prosecutor Cruz Helena Aguilar will determine whether their confessions and cooperation with justice were truthful, and whether the Prosecutor's Office has corroborated all of the evidence underlying the case against the two narcoterrorists from the Medellin cartel, who are now being held in La Picota prison.

It seems that the Prosecutor General's Office will temporarily suspend the benefits which these criminals might have obtained.

Transfer of Cases

The slow pace at which five of the most important cases against drug trafficking kingpins were moving in the Cali Prosecutor's Office led Valdivieso to transfer these cases to Bogota. One of them is a drug trafficking case in the United States (in Louisiana) in which Miguel Rodriguez is involved, and it contains sufficient evidence (one piece of evidence is a cassette in which he orders a shipment of cocaine) to support his guilt. The others are narcotics cases in Costa Rica, illicit enrichment through the La Rebaja [Discount] drugstore chain, and another case that implicates Ivan Urdinola in a homicide.

Judicial Cooperation

U.S. judges were afraid that evidence they obtained in their country might be misused and invalidated by their Colombian counterparts. During his trip to the United States, Valdivieso seems to have restored the U.S. judicial system's confidence in Colombia's policy of surrender. To make international cooperation effective and overcome reluctance on the part of U.S. judges, the new prosecutor general has designed a centralized system to seek and submit evidence provided by foreign countries, and has developed a system for supervising and tracking cases in which such evidence is used.

The Urdinola Case

The criminal trial judge responsible for the case against Ivan Urdinola Grajales and who overturned a release order issued by another judge a few weeks ago is now looking into some irregularities in Urdinola's work and education benefits. According to a certification issued by a La Modelo prison official, Urdinola has studied and worked nonstop since his imprisonment, and so would obtain two months more of penalty reduction. If the additional benefit that is now being investigated were allowed, Urdinola would be four months away from release.

Certificates for Drug Traffickers

At the request of three well known Cali cartel members, former Prosecutor General Gustavo de Greiff began an investigation and issued them an attestation. In practice, this document has protected them from possible arrest. By opening an investigation, judicial officials had until next February to prove that these persons had committed some crime. If at the end of that period no evidence were found, they would be left in peace and would not liable to prosecution. Valdivieso revoked those certifications. Unlike in the past, if at the end of 180 days no evidence is found against them, the case will be tabled temporarily, not permanently.

Ecuador

President To Undergo Back Surgery in U.S. 8 Nov

PA0811023594 Quito Voz de los Andes in Spanish 1200 GMT 7 Nov 94

[Telephone interview with Dr. Edgar Teran Teran, Ecuadoran ambassador to the United States, by an unidentified station announcer—live]

[FBIS Translated Excerpt] [Announcer] Good morning, ambassador. Welcome to HCJV La Voz de los Andes. Would you tell us how the president is doing and what his current condition is following his examinations by specialists over the past few days?

[Teran] Good morning. The president's doctors will examine him again today. On Saturday the doctors thought that surgery would not be required now or in the short term. They will examine him again today, following a more or less normal weekend. After this examination, the doctors will give the president their final opinion. If everything turns out as expected, that is, regular or normal, the president will return home on Tuesday or Wednesday.

[Announcer] In other words, it is not certain when the president will return?

[Teran] The date of the president's return will ultimately depend on what his doctors advise him to do. He is undergoing certain treatments and therapeutic exercises, and his doctors must tell him whether he should undergo this treatment today only, or tomorrow as well. The date of his return depends on this.

[Announcer] Is the president optimistic about not having to undergo surgery?

[Teran] Yes, he is. The doctors felt there was no nerve damage, which was very good news for the president and the Ecuadoran people. The final word, however, will be given today by the doctors.

[Announcer] What additional activities has Architect Duran-Ballen been involved in during his stay in Washington?

[Teran] He had carried out private, personal activities. He has not had any official engagements. That was not the purpose of his visit. He is focusing entirely on his health.

[Announcer] I must tell you that 5,000 heavy vehicles are going to suspend their activities today due to the increase in fuel prices, particularly diesel.

[Teran] The president is keeping abreast of all political developments in the country. He is in permanent contact with Vice President Dahik and is aware of the reaction by certain transportation sectors to the increase in fuel prices. The fuel price increase was an essential part of the economic adjustment. The president is aware of the main aspects of this complex and regrettable political episode. [passage omitted]

[Madrid EFE in Spanish at 0022 GMT on 8 November transmits a 500-word item datelined 7 November, Quito, which states the following:

"Ecuadoran President Sixto Duran-Ballen, who has been hospitalized for the past five days in a Washington hospital, will undergo another surgical operation tomorrow [8 November] to correct a problem in his spinal column, a Carondelet Presidential Palace spokesman announced today.

"Doctors from Sibley Hospital, located in the U.S. capital, examined the 73-year-old president and reported that his lumbar problems—vertebral stenosis and herniated disk—have not caused spinal damage but require an operation similar to the one he had in the same hospital in February 1993, according to Santiago Aguilar, chief of the Carondelet press office.

"Physical therapy and other nonsurgical treatments did not produce the expected results, according to Edgar Teran, Ecuadoran ambassador in Washington."]

Central Highlands Reforestation Plan Noted

95WN0011B Quito EL COMERCIO in Spanish 4 Oct 94 p 1

[FBIS Translated Text] Ambato—Hopes are turning green again for the terrains in central Sierra that have been rendered arid and barren by the effects of deforestation.

Under an agreement between the Ecuadorian Institute of Forestry and Natural and Wildlife Areas [INEFAN] and the IDB [Inter-American Development Bank], a project is under way to reforest 18,000 hectares in the center of the country.

The program encompasses the Provinces of Fungurahua, Bolivar, and Chimborazo, and is being carried out by the Cem-Endefor Forestry Development Company.

Between 1991 and August of this year, a total of 7,542 hectares have been planted, of which 4,996 hectares, equivalent to 66 percent of this total area, is in Chimborazo.

In Tungurahua, 850 hectares have been planted, representing 11.3 percent of the total area planned for that zone. In Bolivar, 1,695 hectares, or 22.5 percent of the total area planned there, have now been reforested.

According to Rodrigo Aguilar, regional head of INEFAN, 190 million sucres have been invested thus far in labor for this project. This represents 25,000 temporary planting jobs in the rural area of Tungurahua.

Plans call for attaining a total of 1,160 reforested hectares in that province by the end of this year.

The reforestation of areas that have been indiscriminately exploited is important to the zones involved.

Paraguay

Brazil's President-Elect Ends Tour

PY0711200094 Asuncion ULTIMA HORA in Spanish 7 Nov 94 p 22

[FBIS Translated Text] Political observers have said the visit to Paraguay by Brazilian President-elect Fernando Henrique Cardoso served to outline the bilateral policies his government will implement.

Cardoso's visit prior to his presidential inauguration is encouraging for many people, especially given our ties with Brazil.

Cardoso returned to his country on the afternoon of 5 November. A small delegation, headed by Foreign Minister Luis Maria Ramirez Boettner, saw him off at Silvio Pettirossi airport.

Cardoso thus completed a tour of Mercosur [Common Market of the South] member countries that he began early last week.

His main goal was to establish a direct relationship with these countries that will assist him in outlining his foreign policy.

During his visit to our country, Cardoso stayed at the residence of President Juan Carlos Wasmosy, with whom he discussed issues linked to integration, the Itaipu hydroelectric dam, the construction of a new dam on the Paraguay River, the trafficking of stolen cars, and lumber smuggling, among other issues.

Cardoso also used his visit to Asuncion to meet entrepreneurs, politicians from opposition parties, and congressmen.

Police Seize Weapons Bound for Brazilian Border

PY0711213194 Asuncion ULTIMA HORA in Spanish 7 Nov 94 p 84

[Article by correspondent Cristino Peralta]

[FBIS Translated Text] San Pedro de Ycuamandyyu — A large number of weapons of different calibers was seized at a control point mounted by members of the Special Group of the National Police. The city of Pedro Juan Caballero was the final destination of the weapons.

The operation was carried out early on 5 November on Highway III in the district of San Pedro, where a van was stopped by the police. The van's license plate number is 40324; it was being driven by Ramon Figueredo, and is owned by the enterprise Cometa del Amambay SRL.

The police found large-caliber weapons during the inspection of the van, and they allegedly were being sent to the enterprise Casa China in Pedro Juan Caballero, on the border with Brazil.

The following is a description of the weapons seized: Nine .357 caliber revolvers of different makes, five .45 caliber Llama automatic pistols of Spanish origin, and three 12 guage Magnum shotguns. Also seized were 24 .22 caliber Marlin rifles, 22,000 .38 caliber bullets, 6,000 .357 caliber bullets, 5,000 shells for .9 mm automatics, and 2,500 .22 caliber bullets, all from the United States.

The following merchandise was listed on the invoice, No. 0047, in the driver's possession: Four fruit peelers, 12 strainers, six sets of china, six perfumed candles, eight butter dishes, 12 picture frames with clocks, and 12 multipurpose containers.

Invoice No. 0053 lists 12 sets of cutlery and nothing else. Neither invoice included weapons.

Peru

Toledo Rejects Perez de Cuellar's Possible Withdrawal

PY0511033094 Madrid EFE in Spanish 2021 GMT 4 Nov 94

[FBIS Translated Text] Lima, 4 Nov (EFE)—The possible withdrawal of the presidential candidacy of Javier Perez de Cuellar was rejected today by presidential candidate Alejandro Toledo, who asked the former UN secretary general to remain in the presidential race.

The rumors about the alleged decision made by Perez de Cuellar to abandon his presidential aspirations increased in the last few hours after Perez de Cuellar insisted that there are indications that a fraud is being prepared in the 1995 general elections.

The rumor is based on comments made by Perez de Cuellar to the effect that his candidacy is subject to two conditions: the support of an important sector of the population and the transparency of the elections.

Toledo, leader of the Democratic Coordinating Movement-Peru Feasible Country, and considered to be the big surprise in the electoral campaign because of the popular support for his candidacy, today told foreign journalists that Perez de Cuellar "must continue in the race and should coordinate with the other candidates the necessary actions to face the alleged fraud he said is being prepared."

Alejandro Toledo, an economist and former World Bank official, is third in the polls with 10 percent of the voters' preference even though almost no one attached any importance to his candidacy. President Alberto Fujimori and Perez de Cuellar are ahead of him in the polls with 46 and 24 percent respectively.

Toledo said: "Despite the fact that an eventual withdrawal of Perez de Cuellar would benefit me because I would climb to second place in the polls, I believe it is necessary that he continue in the race for the good of Peruvian and Latin American democracy."

Some media believe Toledo could repeat the 1990 "electoral phenomenon," when Alberto Fujimori, then an unknown, won the elections against all predictions.

Toledo supports Perez de Cuellar's proposal that the elections be supervised by foreign observers of nongovernment organizations, among which he proposed the one headed by former U.S. President Jimmy Carter.

Peruvian officials have invited only OAS observers, who have supervised the reorganization of the Peruvian electoral system, and who have observed the three elections held in the country since 1992.

Toledo said that his eventual government would continue the rapprochement with Asian countries, although he would also give "special attention" to relations with the United States and Europe.

After rejecting an allleged covert alliance between his party and that of Fujimori for runoff elections, Toledo said that his movement has "basic differences" with the president, among which he mentioned the "respect for the institutions."

Toledo also criticized the 5 April 1992 institutional coup by Fujimori after pointing out that the changes implemented afterward in the country "could have been made within the constitutional framework."

He noted that he plans to "institutionalize" the structural reforms made by Fujimori in 1990 as well as the pacification process that will lead to the defeat of terrorism, and to the readmission of Peru into the international financial system.

Withdrawal of Candidacy Denied

PY0711153394 Madrid EFE in Spanish 1810 GMT 5 Nov 94

[FBIS Translated Excerpt] Lima, 5 Nov (EFE)—Javier Perez de Cuellar's spokesmen today ruled out the possible withdrawal of the candidacy of the former UN secretary general, attributing the report to a "campaign" by the National Intelligence Service [SIN].

In remarks to the national and foreign press, Guido Penanno, vice presidential candidate on Perez de Cuellar's presidential ticket, categorically denied the report, considering it a joke and making fun of it. In a sarcastic reply, Penanno made an "important announcement," in which he said that Peruvian president and candidate for reelection Alberto Fujimori had told him he was withdrawing from the election.

"This report is as false as Perez de Cuellar's supposed withdrawal. It is a rumor disseminated by the SIN," he said.

Rumors of Perez de Cuellar's withdrawal were sought by the press after he expressed doubts over the cleanliness of the electoral process, and insinuated that a fraud is being prepared in favor of Fujimori. Perez de Cuellar's statement was interpreted as a warning of his possible withdrawal: He always conditioned his participation in the elections to the assurance that they will be clean.

Penanno added that within the next few weeks Perez de Cuellar will begin a tour of the United States, Europe, and Asia, seeking international support for a possible government of his political movement, the "Union for Peru Movement" (UPP). [passage omitted]

Changes Campaign Strategy

PY0711201894 Madrid EFE in Spanish 1730 GMT 6 Nov 94

[FBIS Translated Text] Lima, 6 Nov (EFE)—The Peruvian press reports today that the constant drop in the polls has compelled Ambassador Javier Perez de Cuellar to revise his electoral campaign strategy.

Perez de Cuellar's election team has decided to revise its guidelines this week in view of the results of the latest poll conducted by the CPI polling company, which gives the ambassador support from only 18.7 percent of those polled.

These results have forced Perez de Cuellar to cancel at the last minute a scheduled tour of the central Andean department of Junin, one of the few he has not yet visited since launching his campaign.

The CPI poll figure is the lowest Perez de Cuellar has received since he launched his presidential candidacy in August. At the time, according to a poll conducted by the Venezuelan company Group 21, Perez de Cuellar obtained a 34 percent level of support from voters.

This support decreased to 30 percent by the end of August. It continued to drop in September, when he obtained 26 percent, and finally dropped to 18.7 percent last week.

The leading contender, Fujimori, has been able to maintain his support in the polls. According to the CPI support for Fujimori has increased, reaching 47 percent of those polled.

The Lima weekly EL MUNDO has reported that Perez de Cuellar's advisers have decided to give him "a more popular image" in an effort to recover the percentage he has lost in the polls over the last few months.

As part of this change, the former UN secretary general visited Carcamo, one of the poorest of Lima's neighborhoods, on 3 November. During this visit Perez de Cuellar said that he is a self-made man, having inherited neither fame nor fortune.

In view of Perez de Cuellar's "new image" he has ceased wearing a coat and tie on his tours. He also plans to [passage garbled] a more colloquial and simple language when addressing people during his tours.

His advisers have also requested that journalists avoid addressing him as ambassador or doctor during interviews, and simply address him as "Don Javier."

They are also urging people to address him simply as "our friend Javier."

The decision to "popularize" Perez de Cuellar was made because according to the polls, the majority of his lost support has been transferred to the big surprise of the electoral campaign, economist Alejandro Toledo.

Without conducting an election campaign, Toledo has marshalled about 9 percent of support. Some even believe that the 1990 "phenomenon," when against all odds the then unknown Alberto Fujimori won the elections, may be repeated.

The director of the Datum polling company, the Spaniard Manuel Torrado, has stated that support for Toledo is based on his image as a successful man, his ethnic Andean features, and his proposal to continue the Fujimori government program.

Torrado maintains that the decline of Perez de Cuellar's campaign is not only due to the "Toledo phenomenon" but also "to the lack of a clear strategy and little clarity and definition" of his election proposals.

The weekly EL MUNDO also states that a group of Perez de Cuellar's advisers has proposed his withdrawal from the presidential race if Toledo continues to increase his support at Perez de Cuellar's expense, and thus push him into third place.

According to EL MUNDO, Perez de Cuellar has recently complained about possible evidence of fraud to justify an eventual withdrawal of his candidacy.

Perez de Cuellar has nevertheless rejected any possible withdrawal. He expressed his confidence in being able to recover in the polls and winning the elections scheduled for April 1995.

Fujimori Labels Economic Recovery 'Miracle'

PY0811015294 Madrid EFE in Spanish 0329 GMT 4 Nov 94

[FBIS Translated Text] Lima, 3 Nov (EFE)—Peruvian President Alberto Fujimori, in a speech today opening a meeting of Latin American bankers in Lima, labeled the reactivation of the Peruvian economy a "Peruvian miracle" realized in "only four years."

Fujimori said that Peru now has a "stable and safe" economy after having been practically bankrupt when he was inaugurated in July 1990.

He added that Peru is "about to take off" toward its full development after overcoming hyperinflation and having virtually defeated the terrorist gangs of the Shining Path and the Tupac Amaru Revolutionary Movement (MRTA).

President Fujimori today opened the annual assembly of the Federation of Latin American Banks (Felaban), which will last three days.

Camet Announces 9 Percent Inflation Rate for 1995

PY0711115294 Lima Radio Programas del Peru Network in Spanish 1800 GMT 4 Nov 94

["Exclusive" interview with Economy and Finance Minister Jorge Camet Dickman by reporter Alvaro Ugaz after the closing ceremony of the 28th annual meeting of the Latin American Banks Federation held in Lima—live]

[FBIS Translated Text] [Ugaz] In your address before over 300 international bankers, you announced that Peru estimates it will achieve an annual inflation rate of 9 percent. Is it feasible to achieve this goal while still implementing the social support program?

[Camet] We have no doubt that we will be able to achieve this goal by continuing to implement the currently enforced fiscal austerity policy and the proper monetary policy. It might be worth mentioning that a good indicator is the fact that the inflation rate of the past three months would total an average of 10 percent per year. This means that it is feasible to achieve the goal we have established.

[Ugaz] With an estimated 9 percent inflation rate for 1995, what would Peru's estimated economic growth be?

[Camet] We estimate that the economic growth rate will total somewhere between 6 and 6.5 percent, but we hope to surpass this percentage. I believe this is a modest figure.

[Ugaz] Sir, there is some controversy over whether the social support program can be implemented in view of lack of funds, and no salary increases. Does the government plan to decree a salary increase before the end of the year? Does the Treasury have enough funds to cover these expenses?

[Camet] You are asking two questions in one. In the first place, you are asking me about the poverty eradication program. There are no problems with funds because we are negotiating a total of $400 million in loans from multilateral organizations. Consequently, we have no worries in this regard. I am very happy that we are drafting a serious technical program for the eradication of poverty. This will be the first time that such a program will be implemented. We must differentiate between a poverty eradication program and a social assistance program, which is what we have been implementing.

[Ugaz] Will you implement this poverty eradication program as of January 1995?

[Camet] No, the program will be implemented in the first few months of 1995.

[Ugaz] As for the salary increase, is it possible to decree a salary increase before the end of the year?

[Camet] In view of the current situation facing the Treasury, and because of the limited time remaining before the end of the year, I believe it would be best to decree a salary increase in 1995.

[Ugaz] Next year. Is it possible that it will be implemented, as some say, in the first months of next year?

[Camet] Well, we will see how the Treasury is doing. When it is possible, we will have a salary increase.

Red Path Leader 'Feliciano' Ill, Under Siege From Army

PY0711155094 Madrid EFE in Spanish 0623 GMT 7 Nov 94

[FBIS Translated Text] Lima, 7 Nov (EFE)—Antinarcotics sources have reported that Oscar Ramirez Durand, aka "Feliciano"—the top leader of the Red Path splinter faction of the Shining Path [SL]—is seriously ill, suffering of typhoid fever, and is apparently under siege from the Army.

The first reports that "Feliciano" could be seriously wounded or ill, somewhere in the Ayacucho mountains in the central part of the country, reached Lima 10 days ago and were confirmed this past weekend by a repentant female SL member.

The National Counterterrorism Directorate (Dincote) has announced that a former terrorist, known only as "Maria," told them the Red Path leader had been suffering typhoid fever since October and that his state of health is serious.

Although it is not known how "Feliciano," 42, contracted the disease, it is known that the first symptoms appeared when he was at one of the six SL shelters in the Ayacucho forest. "Feliciano" had to be taken out on a stretcher from one of the most important refuges when the Army began a strong antiterrorist offensive the day before the expiration of the Repentance Law on 1 November.

"Maria" is apparently a terrorist who sought refuge under the Repentance Law that was decreed by the government in May 1992. She provided the Army and police with data on the Red Path leader. She joined Shining Path in 1980 and was arrested shortly afterwards and imprisoned for several years. She then returned to SL and played an important military command role in Huamanga until she decided to surrender under the Repentance Law. Dincote sources said "Maria" reportedly revealed that the Red Path leader does not have the necessary medicines for typhoid fever which, unchecked, will probably kill him.

The antiterrorist offensive continues in different parts of the country, mainly in the central and southern zones, where SL and Red Path groups are still active. Over the past 50 days the terrorists have killed 20 people in several confrontations; they planted a car bomb in Lima and sabotaged several power pylons. The latest confrontation took place on 4 November in the region of Pisco, Southern Peru, when SL members attacked a police patrol killing a lieutenant; six SL members were arrested.

It is not known for sure how many SL and Red Path members still carried arms when the Repentance Law expired on 1 November. This law prompted the surrender of 6,000 terrorists over the past two years.

Dincote believes "Feliciano" and his Red Path only have a few hundred members dispersed in two operational centers in the central region of the country, access to which is only possible by air.

The Red Path emerged in 1993 when current leader Oscar Ramirez Durand, "Feliciano," rejected a decision by SL founder Abimael Guzman, who is serving a life sentence and who admitted the defeat of the SL.

Uruguay

Visiting Brazilian President-Elect Discusses Mercosur, Cuba

PY0711171194 Madrid EFE in Spanish 1737 GMT 4 Nov 94

[FBIS Translated Text] Montevideo, 4 Nov (EFE)—Brazilian President-elect Fernando Henrique Cardoso stated in Montevideo on 4 November that stabilization is not an end in itself, but rather "the starting point for changing Brazil" and for facing the challenges posed by the 21st century, a century of "information, technology, and training."

Cardoso, who arrived in Uruguay on 3 November on the second leg of a tour of Brazil's partners within the Common Market of the South (Mercosur), explained today to a group of businessmen the scope of the Real Plan for stabilization that he implemented as finance minister under the outgoing administration of Itamar Franco, and his plans when he assumes office.

The sociologist, born in Rio de Janeiro 63 years ago and voted in as the candidate for the alliance of the Brazilian Social Democracy Party (PSDB), the Liberal Front Party (PFL), and the Brazilian Labor Party (PTB) in the 3

October elections, brushed aside the label of "neoliberal." He said that, in general, he did not believe in the validity of "any neo."

Cardoso believes that the laissez-faire model, in which the market takes care of everything and the state intervenes as little as possible, is an anachronism that is impossible to implement in Latin America.

"In our countries the market would not deal with overcoming poverty, for example. This is why the state always has to intervene," even though the state's excesses and negative results also have to be corrected, he pointed out.

An avowed pragmatic and realist, the Brazilian president-elect is not concerned that he has been accused of changing ideologies, because "what changed was the world, and I have to adjust my thinking to the changes that have taken place in the world."

In an address to businessmen at Uruguay's Technological Laboratory, which was followed by a news conference and a reception at the Brazilian Embassy in Montevideo, Cardoso compared the end of the dictatorships in Spain and Brazil.

"Spain was lucky enough to regain democracy at a favorable moment for the European economy, whereas Brazil returned to democratic life at a time when Latin America was battered by an economic crisis. The reorganization was therefore much more difficult, because on top of that there are great social differences in our country," he noted.

Cardoso minimized concerns about the negative effects that the Real Plan may have on foreign trade, and pointed out that the important thing now was to increase competitiveness and productivity.

Cardoso believes it is too early to discuss Brazil's joining NAFTA, and in any case negotiations to that effect should follow the "four plus one" model (the four Mercosur member countries plus NAFTA) and not exclude other blocs, like the integration planned between Mercosur and the EU, which he termed "very important."

Discussing a possible relationship with NAFTA, Cardoso indicated: "The time has not yet come. We have to wait."

Concerning the existing inequality among the Mercosur partners, Cardoso believes that "the prosperity of larger countries does not damage smaller countries." He noted that if the smaller countries succeed in betting on specialization, they will be the ones that "will benefit earlier from integration."

Cardoso emphasized: "All four may succeed. Brazil and Argentine succeeded, and Paraguay and Uruguay will also succeed."

Concerning the foreign policy that he will pursue after he is inaugurated on 1 January, Cardoso noted that the foreign policy must be "stable and not be changed frequently." He pointed out: "It must have a national slant."

Concerning domestic policy, Cardoso said he shared President Itamar Franco's decision to use the Army to stamp out the drug traffickers thriving in Rio de Janeiro's slums. He noted that drug enforcement "requires a greater scope," including a strengthening of the federal police.

Cardoso, who left today for Asuncion, the last leg of this tour of Mercosur countries, also discussed Cuba, not "as a president-elect, but as an intellectual." He deplored the fact that the Cuban leaders "have taken such a long time to recognize world changes" and have embarked upon "a process of anachronism."

PLUNA Privatization Fails

PY0711195494 Buenos Aires TELAM in Spanish 1531 GMT 5 Nov 94

[FBIS Translated Excerpt] Montevideo, 5 Nov (TELAM-SNI)—The privatization of the state-owned airline PLUNA [Uruguayan National Airlines] failed last night when the PLUNA board of directors annulled the award of 51 percent of PLUNA shares to a Uruguayan-Argentine consortium.

In a 2-to-1 vote, the PLUNA board of directors annulled the award of the majority of PLUNA shares to the "Pluri-Consortium of Air Navigation" [Pluri-Consorcio de Aeronavegacion] because "the guarantees presented by the Uruguayan-Argentine consortium did not meet the requirements established in the bid specifications."

After the decision by the PLUNA board was announced, PLUNA President Juan Jose Piaggio Victorica, who voted against the abolishment, resigned as he believes his mission "was to privatize the company." [passage omitted]

During the first bid in 1992, there was also a single offer to purchase the majority of PLUNA shares by the Brazilian VASP [Sao Paulo Airline] company.

PLUNA and the Montevideo Gas Company are the only two state-owned companies that President Lacalle's government can sell, as they were specifically excluded from the privatization law.

Official sources admitted that, following the failure of the two bids, the government was allowed to conduct direct negotiations with the goal of privatizing the company.

The sources did not mention if the current government or the one to be elected in the 27 November elections will decide on this issue, bearing in mind PLUNA is losing $1 million per month.

Venezuela

Proposed Summit Topic: Energy Fundamental Element to Security

PA0711191794 Paris AFP in Spanish 1503 GMT 7 Nov 94

[FBIS Translated Text] Caracas, 7 Nov (AFP)—At the Ibero-American Summit to be held in Miami, Venezuela will propose to consider energy as a fundamental element for hemispheric security, Venezuelan President Rafael Caldera said while inaugurating the Fifth Venezuelan Oil Congress Sunday night in Caracas.

"If we—the chiefs of state and of government on the continent—are going to meet to strengthen our nations and our democratic systems, it is correct to propose having a sustained, democratic, and safe hemisphere. We cannot put aside something as important as the solid commitment to energy matters," Caldera noted. The president insisted that one cannot talk about hemispheric security and a common hemispheric market if petroleum is excluded in order to favor markets of other areas.

Stressing the link between the debt and petroleum, Caldera said that "those who lend money already think and know we have petroleum, and this element serves as a guarantee." Therefore, the possibility of selling petroleum on the futures market is being taken into consideration. The decision will depend on whether there are buyers and whether their offers are reasonable.

The Fifth Venezuelan Oil Congress will assemble energy industry representatives from 7 until 11 November, who reexamine their goals, financial resources, international links, legal framework, and other aspects.

"The new perspectives on petroleum's role in the Venezuelan economy will have a bearing on our economic results, style of government, and the nation's cultural definition, said Alberto Quiros Corradi, president of the event.

Caldera Opens Oil Congress; Minister Views Gas Prices

PA0711192294 Caracas Venezolana de Television Network in Spanish 1600 GMT 7 Nov 94

[From "The News" newscast]

[FBIS Translated Text] It was cocoa in the 18th century, coffee in the 19th century, and oil in the 20th century. President Caldera said upon opening the Fifth Oil Congress that Venezuela will not be a producer in a single field in the next 100 years but will enter the international market not only with hydrocarbons but with other items as well.

[Begin Caldera recording] We are convinced oil should not be squandered as a source of energy but should be used as a raw material for more and more sophisticated industries, which are becoming more and more important in the world. The truth is that we are linked to oil, tied to its existence and development, and we must open new ways and possibilities of giving Venezuela control of this resource and the required participation in the process of affirming our nationality, which has been going on for many years. [end recording]

In addition, Energy and Mines Minister Erwin Jose Arrieta said the new gasoline prices have not been established yet, because the project is much broader than expected, and the sale prices are not the only issue in the 1995 plan.

[Begin Arrieta recording] The plan is much broader: It consists of six programs, including the assessment of resources, in addition to gasoline and low-pressure gas. I would like people to view the overall situation, however, not only in terms of whether they have to absorb the gasoline price increase. Let other people pay for that. [end recording]

Discredit Campaign Sought To Accuse Former Army Commander

PA0311161994 Caracas EL UNIVERSAL in Spanish 2 Nov 94 p 1D

[Report by Javier Ignacio Mayorga]

[FBIS Translated Text] The discredit campaign plotted within the Intelligence Directorate of the Joint Chiefs of Staff included denouncing the previous Army commander, Division General Pedro Remigio Rangel Rojas, as the head of a "an illegal gambling ring in Caracas."

This information is contained in documents seized during an office raid on 24 October. As you might recall, this led to the suspension of Rear Admiral Mario David Yanez, and a subordinate, Lieutenant Colonel Diaz, who is accused of being the presumed mastermind of this slanderous crusade.

Rangel's Front Man

Rough drafts of the campaign provide a glimpse of a number of liaisons that reportedly supported the former Army commander's power base. He reportedly influenced the president of the Republic through two intermediaries: Aide de Camp Lt. Col. Romel Fuenmayor, who is a brother-in-law of Pami Foundation President Francisco Arias Cardenas, and Presidential Secretary Italo Velasquez.

There were plans to denounce Rangel as the capo of an illegal lottery in Caracas. His front man was reportedly a brother-in-law surnamed Brayle Quintero. The following notation was jotted next to his name: "He betrayed the MBR-200 [200 Revolutionary Bolivarian Movement]."

Lt. Col. Arias Cardenas, one of the leaders of the 4 February coup attempt, was reportedly going to be denounced as an adviser and financier of Rangel Rojas, along with Ramon Santeliz and retired Col. Jose Machillanda.

The brains within the Intelligence Directorate of the Joint Chiefs of Staff also tried to link a civilian to this campaign. "There is a very wealthy man behind this," they wrote. The name of a banker surnamed Quintana was hypothetically mentioned.

EL NACIONAL yesterday summarized the most important aspects of a phase of this plan directed against various segments of society that were designed to link Catholic leaders, former rectors, journalists, and Radical Cause and MBR-200 leaders to Cuban espionage and Libyan terrorist networks.

The "Mormons" campaign within the Armed Forces was even more complex. I will only summarize its most salient aspects in this article.

The top leadership of this sect reportedly comprised 20 Army officers, including current Commander Gen. Orozco. Among others, the list included Gen. Pedro Valencia ("handles Rangel's entire intelligence apparatus"); Gen. Wilfredo Guerrero, director of Military Intelligence ("he is used to procure money"); Gen. Gustavo Garcia Ordonez, director of Military-Medical Service ("another screen to secure funds"); and Gen. Jose Bogado Velasquez, president of the Court Martial.

The document indicates that since its inception the clique controlled the armed institution. A system of "hierarchical power" was established. Therefore, the previous supreme leader was Commander Rangel Rojas, who reportedly still influenced the decisions of Orozco Graterol, because he reportedly still had ties with Miraflores Palace.

Orozco's Circle

The pamphlet entitled "Religion or Military Extremism" pointed out that the so-called Mormons "occupy important positions and have access to budgets, can conduct and block investigations, and can control military justice."

This was used to try to convince the rest of the Army that there was an alleged conspiracy "to achieve and maintain military power by including officers close to them in the chain of command, especially in areas in which Armed Forces money is handled, without neglecting war power."

The scheme linked to the current Army commander indicates that his closest collaborators and those who supplied his economic resources were Gen. Mejias Intriago (Defense Ministry administration) and Gen. Ferrer Barazarte (National Armed Forces Social Welfare Institute), who is described as a "friend of Dr. Caldera." There was also reference to strong support within the Martial Court through its president, Gen. Bogado.

The pamphlet warning against the Mormons also noted that "as extremists, they will stop at nothing to obtain power," and it even mentioned the possibility of a coup d'etat and gave details of the smear campaigns waged against their opponents.

Army Intelligence Chief Removed After Release of Documents

PA0311161794 Caracas EL NACIONAL in Spanish 2 Nov 94 p 1D

[FBIS Translated Text] Caracas (VENPRES)—Brigadier General Eduardo Chacin Mata has been removed from the Office of Director of Military Intelligence of the Army's General Command. Chacin Mata became director of Military Intelligence last July.

It has been learned that the order issued by the Defense Ministry came after the disclosure of several confidential documents drafted by the directorate. Such internal documents are only to be released on the signature of a high-ranking officer.

The Armed Forces Inspector General's Office began an investigation of Gen. Chacin Mata and his office to determine to what degree the high-ranking officer was responsible for the leak of information from his office.

This investigation is not related to the events that occurred one week ago at the Intelligence Directorate of the Joint Staff, on the fourth floor of the Ministry of Defense, where several officers and one political expert also were suspended for leaking information. In terms of this incident, an ongoing investigation is continuing and has not reached any conclusions. Those responsible for the leak of confidential information from the directorate may face Investigation Council hearings.

Concerning the confidential documents that have been made public within the past few days, the Army's General Command explained that these writings are normally processed in the intelligence directorates of various branches of the Armed Forces, adding that they are drafted to depict an analysis of the country's situation. The General Command noted that these documents are used by the National Security and Defense Council. Many times such documents are presented to the head of state and are considered "confidential documents," and therefore they must not be distributed outside of the Armed Forces. This is where the irregularity exists.

Caldera Admits Infiltration of Crime in Security Corps

PA0611193194 Caracas Union Radio Network in Spanish 0200 GMT 6 Nov 94

[Report by Orquidea Sanchez from the Miraflores Palace in Caracas; from the "Union Radio News" newscast]

[FBIS Translated Text] President Rafael Caldera has admitted the infiltration of crime in the state security corps, adding he is grateful for the understanding and support the people have shown, because his government has been compelled to face a deep social, political, and economic crisis.

[Begin Caldera recording] I am well aware the country feels overwhelmed by the lack of personal safety, a situation which compels us to exert more efforts every day. We have enough security members, but it pains us to admit there are many cases of criminal infiltration in the security corps. This situation compels us to be vigilant and zealous, without engaging in witch hunts, without perpetrating injustices against those who do not deserve them but, rather, by trying to enforce justice with decisive and important action against those who abuse their position—which the country has given them to defend the people and their assets—to perpetrate intolerable abuse that causes concern, uncertainty, and anguish in the homes of the Venezuelan people. [end recording]

Referring to an increase in the prices of goods and services, he has said the state faces the difficult task of seeking a balance between the need to encourage production which would guarantee job opportunities and the obligation to curb outbreaks of speculation.

Caldera, Minister Cited on IDB Extension

PA0511132194 Caracas EL GLOBO in Spanish 4 Nov 94 p 2

[Report on interview with Venezuelan President Rafael Caldera and Finance Minister Julio Sosa Rodriguez by Judith Martorelli in Caracas on 3 November]

[FBIS Translated Text] The discretion of the executive branch regarding an extension of the bank debits tax (IDB) was clearly made evident yesterday in a few words from President Rafael Caldera.

The president left his office to go to the Miraflores administration building a little past noon.

[Martorelli] "What is your opinion on the proposal by certain parliamentarians to extend the IDB?"

[Caldera] "I like everything that is good. I do not like what is bad. Fortunately, at the moment, there is more good than bad."

Not saying another word, the president went to a parlor where he would have dinner with a singing group that performs "A Song of Solidarity" in a video clip that has been shown on VTV [Venezolana de Television Network], an initiative other channels will follow.

Finance Minister Julio Sosa Rodriguez, who met with the president in the president's office yesterday, was also not very explicit when he replied as presidential spokesman to the extension of that tax.

"I have heard that different opinions have been expressed in Congress on that issue," the Finance Minister said. "Truthfully, I have not taken a position on that issue. If Congress wants to extend that tax, it can do so, because it has the power to do so."

[Martorelli] "Does the executive branch consider that advisable?"

[Sosa] "It is a tax many people have said would cause a number of difficulties, and the truth is it has not caused any contention. That tax has not been regressive but, rather, progressive. It would not be a bad idea if Congress decides to keep it in effect until 1995," Sosa Rodriguez added. "It would have to be a joint initiative between the executive and legislative branches. That issue has not been addressed until now."

The minister has said the executive was studying "the emission of long-term U.S. dollar bonds to refinance the nonrestructured debt."

He has said that the payment of commitments for this year had been projected and that efforts were being aimed at 1996, 1997, and 1998. The last two years are the strongest (with a major load on our budget).

Regarding the Public Credit Law, which the executive had asked from Congress 160 billion bolivares for debt payment commitments, Sosa said, the executive is studying the emission in bolivares, dollar-indexed bolivares.

March for Solidarity

There was no more talk about bank debits at the Presidential Palace after noon. The reporters concentrated their attention on trying to obtain a statement from President Caldera. President Caldera was meeting with the artists who called on the nation's solidarity with this slogan to resolve the crisis: "Unity represents force." Twenty-two artists participated in the video, in which the differences among the record companies were overlooked, to record at no cost the song written by Jorge Aguilar. Guillermo Davila, Colina, Melisa, Miguel Baute, and Sergio Perez have participated in the video.

The initiative to film this video came from Youth Minister Pilar de Romero, who has called for the celebration of the National Day of Solidarity on 11 November, the date on which solidarity militants will march.

Venezuela Receives 177 Cuban Rafters in Two Months

PA0711183994 Madrid EFE in Spanish 1649 GMT 7 Nov 94

[FBIS Translated Text] Caracas, 7 Nov (EFE)—Official sources reported today Venezuela had welcomed 177 Cuban migrants since the "rafters" crisis, which prompted thousands of them to try to reach U.S. coasts in Florida, began two months ago.

Authorities from the National Identification Office (ONI-DEX) [Oficina Nacional de Informacion] reported 125 Cubans were granted transient visas, while 52 others were granted tourist visas.

It was also reported that all Cuban migrants are college graduates and have relatives in Venezuela who are able pay for their stay and sustenance.

Venezuela pledged to welcome a group of Cuban migrants after it rejected a Washington petition to accept an undetermined number of "rafters" who were being lodged temporarily at the U.S. base in Guantanamo.

Authorities estimated at the time that approximately 10,000 Cubans, in addition to meeting the established requirements, would be interested in living in Venezuela. It seems the number of refugees will be much lower than expected due to the low acceptance the Venezuelan Government's offer has had so far.

Antidrug Trafficking Accord Signed With Dominican Republic

PA0511152594 Madrid EFE in Spanish 2020 GMT 4 Nov 94

[FBIS Translated Text] Caracas, 4 Nov (EFE)—Venezuela and the Dominican Republic signed an antidrug trafficking agreement today, agreeing to create a joint commission to ease implementation of the agreement.

The cooperation agreement to prevent and combat the illegal trafficking of drugs and psychotropic substances, which goes into effect today, was signed by Dominican Foreign Minister Carlos Morales and Venezuelan Foreign Minister Miguel Angel Burelli, who will be the coordinators of the joint commission.

Morales, who was in Venezuela for only one day, will also meet with that nation's president, Rafael Caldera, during a luncheon today.

The Dominican foreign minister said the agreement will serve to prevent future drug trafficking situations although there are no problems between those two nations as of yet. Morales explained during a news conference the agreement will be implemented through the Dominican National Directorate of Narcotics Control and its Venezuelan counterpart, the National Commission Against the Illegal Use of Drugs.

Another issue the two foreign ministries will analyze today is a future framework agreement for the exchange of products and economic and trade cooperation between the two nations, Morales said. He did not explain, however, on what the agreement will be based.

Trade between the two nations totals approximately $8 million annually, and Venezuela is the main petroleum supplier of the Dominican Republic through the San Jose Agreement.

Deputy Minister Regrets Occupation of Peruvian Embassy

PA0511210994 Caracas EL NACIONAL in Spanish 4 Nov 94 p 2A

[Report by Jose Figueredo]

[FBIS Translated Text] Deputy Foreign Minister Roy Charderton has expressed regret over the sudden, peaceful occupation of the Peruvian Embassy by Aragua State peasants who requested political asylum, claiming persecution.

Charderton has said the Peruvian authorities requested immediate action by Venezuelan security forces to peacefully persuade them to leave the embassy.

"We regret that the territory of a sister country was violently occupied. We hope problems that may be discussed between us are not blamed on those who are not responsible for them," Charderton has said, adding that some time ago occupation leader Alberto Solano had carried out similar operations, such as the occupation of the Mexican Embassy.

Charderton has also warned that international regulations on the right to asylum cannot be treated with banality. "This matter is something too serious to be used each time we have domestic disputes, by trying to extend the problem to countries that do not have the power to resolve them. [no closing quotation mark as published]

Charge d'affaires Luis Salami was in the embassy and authorized the National Guard to enter and dislodge the occupiers, which they did at night.

According to international agreements on diplomatic relations, embassy territory is considered the national territory of the respective country.

Charderton has announced the implementation of several security measures to avoid a repetition of these types of actions.

?

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.